PanUnited

INNOVATING WITH TECHNOLOGY

Pan-United Corporation Ltd
Annual Report 2024

Content

INNOVATING WITH TECHNOLOGY

At Pan-United, we look at concrete differently. Reimagined and re-engineered, our concrete solutions breathe new life into cities and spaces.

The cover artwork shows how a seemingly ordinary image of concrete can be transformed by technology to have hues, textures and movement.

Indeed, innovating with technology creates a transformational impact, unlocking extraordinary possibilities for new ideas and business models in the concrete world.

PanUnited

Singapore-listed Pan-United Corporation (SGX:P52) is a global leader in low-carbon concrete technologies, catalysing transformative change in the concrete and logistics space.

We are one of the world's leading producers of carbon mineralised concrete, achieving the highest CO_2 savings per plant.

We are transforming our business model to become a technology-driven company, powered by our deep domain expertise and advanced digital capabilities. With world-class in-house R&D, we continue to pioneer high-performance solutions and embrace emerging technologies to stay ahead of the sustainability curve.

Pan-United has committed to offer only low-carbon concrete by 2030, offer carbon-neutral concrete products by 2040, and become a carbon-neutral company by 2050.

Group Financial Summary

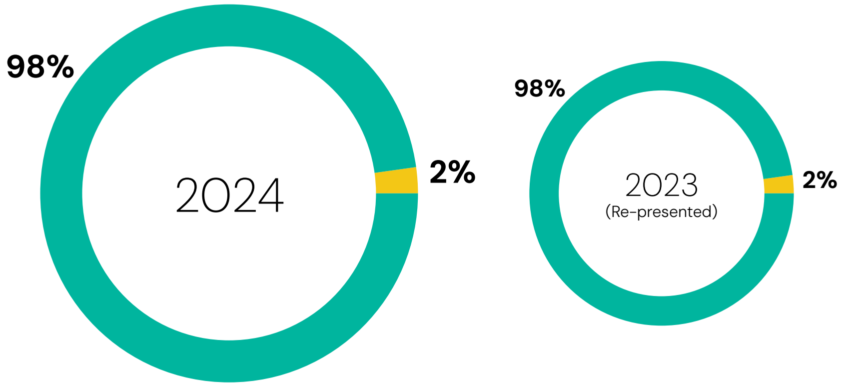
	2024 $'000	2023 $'000	+/(-) %
Financial Results			
Continuing operations			
Revenue	**812,297**	774,138	5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**75,246**	67,992	11
Profit before taxation	**51,331**	45,331	13
Profit after taxation	**41,180**	35,678	15
Profit attributable to equity holders of the Company (PATMI)	**40,855**	35,617	15
Discontinued operation			
Loss after taxation	**-**	(1,147)	NM
Loss attributable to equity holders of the Company (PATMI)	**-**	(1,320)	NM
Total			
Profit after taxation	**41,180**	34,531	19
Profit attributable to equity holders of the Company (PATMI)	**40,855**	34,297	19
Financial Position			
Shareholders' funds	**265,304**	231,819	14
Non-controlling interests	**5,614**	5,744	(2)
Total equity	**270,918**	237,563	14
Total assets	**499,749**	453,882	10
Total liabilities	**228,831**	216,319	6
Per share data			
Basic earnings (in cents) (note 1)			
From continuing operations	**5.85**	5.12	14
Total attributable to equity holders of the Company	**5.85**	4.93	19
Diluted earnings (in cents) (note 2)			
From continuing operations	**5.84**	5.11	14
Total attributable to equity holders of the Company	**5.84**	4.92	19
Net asset value as at 31 December (in cents)	**38.00**	33.30	14
Return on shareholders' funds (note 3)	**16.4%**	15.5%	6
Return on property, plant and equipment (note 3)	**24.5%**	21.9%	12
Net gearing ratio	**-**	-	NM

Notes
1. The calculation for basic earnings per share is based on 698,353,925 (2023: 695,816,725) weighted average number of shares in issue during the year.
2. The calculation for diluted earnings per share is based on 699,527,357 (2023: 696,849,261) weighted average number of shares plus dilutive potential shares from share options during the year.
3. In calculating return on shareholders' funds and return on property, plant and equipment, the average basis has been used.

NM: Not Meaningful

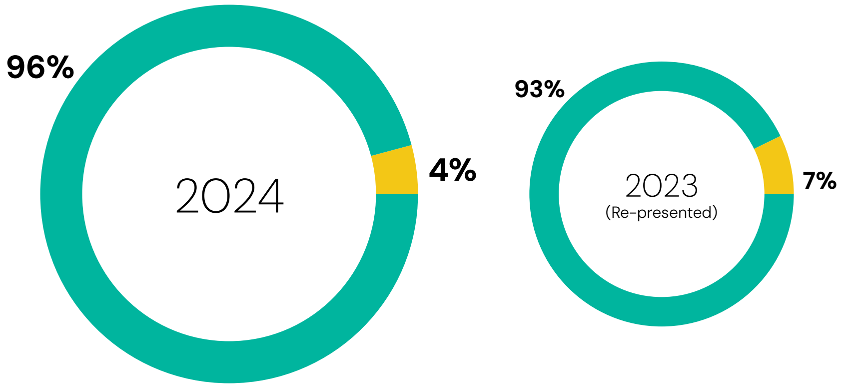
Segmental Information

Revenue



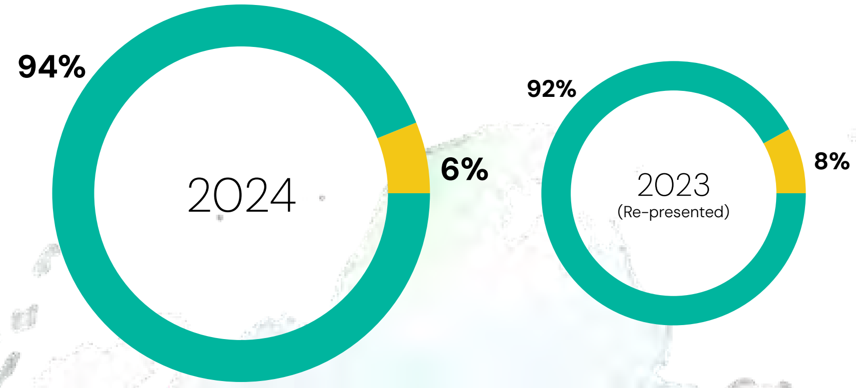
Revenue ($'million)	2024	2023 (Re-presented)
Concrete & Cement	798.19	756.64
Trading & Others	14.11	17.50
Total – Continuing operations	**812.30**	**774.14**

EBITDA



EBITDA ($'million)	2024	2023 (Re-presented)
Concrete & Cement	72.00	63.55
Trading & Others	3.25	4.44
Total – Continuing operations	**75.25**	**67.99**

PATMI



PATMI ($'million)	2024	2023 (Re-presented)
Concrete & Cement	38.49	32.67
Trading & Others	2.37	2.95
Total – Continuing operations	**40.86**	**35.62**

Executive Chairman's Message

Reflecting on FY2024, I am pleased to share that Pan-United remained steadfast in our commitment to innovation, sustainability and operational excellence — hallmarks that define our growth trajectory.

This commitment has set a clear path for us to deliver a strong set of results in the 12 months up to 31 December 2024 ("FY2024"), boosted by higher demand for our concrete solutions.

Pan-United achieved revenue of $812.3 million in FY2024, up 5% compared with the previous financial year. We boosted our financial resilience, ending the year with net cash of $91.6 million. Despite increased cost pressures, FY2024 EBITDA improved 11% year-on-year from $68.0 million to $75.2 million with higher operational efficiency and returns from upstream businesses. Total profit after tax and minority interests grew 19% to $40.9 million in FY2024 from $34.3 million in FY2023.

The Board has recommended a final ordinary dividend per share of 2.3 Singapore cents ($0.023) for FY2024, subject to shareholders' approval at the upcoming Annual General Meeting (AGM) on 24 April 2025. Coupled with the interim cash dividend of 0.7 Singapore cents ($0.007) paid out on 30 August 2024, our total cash dividend for FY2024 will be 3.0 Singapore cents ($0.03) compared with 2.3 Singapore cents ($0.023) in FY2023.

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"Our multi-pronged strategy is to adopt new proven technology, develop our own, and collaborate with stakeholders to accelerate these adoptions."

Driving Growth with Technology

Our purpose is to decarbonise the world with concrete. We continue to make significant progress in our goal to build a more sustainable and innovative future for the built environment.

We invest in and use technology to better our products, processes and our sustainability initiatives. Our multi-pronged strategy is to adopt new proven technology, develop our own, and collaborate with stakeholders to accelerate these adoptions.

In addition, sustainability driven by technology is at the core of our business. In FY2024, we made significant strides in reducing carbon emissions across our operations by investing in decarbonisation, electrification and improving our circular economy.

Continuous investment in research & development (R&D) enables us to expand our range of low-carbon concrete solutions to help our partners and customers reduce their own environmental footprint. We are motivated to intensify our R&D work to address the fast-growing market demand for these solutions.

Pan-United is benefitting significantly from investments in digitalisation that optimise efficiency, reduce material wastage and improve productivity. Extending digital solutions driven by our capabilities to users in the region forms part our growth strategy. We are gaining good traction in securing new customers for our digital solution, branded as AiR Digital, to help them digitalise their operations. This asset-light strategy underpins our mission to become a technology company in the concrete and logistics space.

Financial Resilience and Value Creation

Our strong financial performance in FY2024 is testament to the resilience of our business model.

While navigating cost pressures and geopolitical uncertainties, we ensure that financially we maintain a strong balance sheet and generate healthy cash flows. At the same time, keeping a good balance with long-term value.

Looking into 2025, we are optimistic about the opportunities ahead. Urbanisation, infrastructure development and climate change are driving demand for sustainable building materials. We are well positioned to support our customers as they pursue greener solutions.

Appreciation

On behalf of the Board, I would like to express our deep appreciation to our immediate past Chairman, Mr Tay Siew Choon, who stepped down at our last AGM in April 2024. Mr Tay served as an independent director with Pan-United for almost 20 years, including four years as Chairman. Concurrent with my appointment as Executive Chairman, the Board has appointed independent director Mr Fong Yue Kwong as Lead Independent Director. We are also pleased to have Mr Chan Wan Hong join our Board as an Independent Director. Mr Chan brings a wealth of corporate experience as a corporate lawyer for over 25 years and is recognised as a leading lawyer for start-ups.

Mr Ken Loh has stepped up from his COO position to become our CEO. I am confident that our strong leadership team, led by Mr Loh, will bring Pan-United to the next high. My sincerest gratitude to our shareholders, customers and partners for your continued trust and support. Finally, I want to commend and thank our dedicated employees, whose unwavering commitment and hard work drive our success. Together, we will continue to shape a more sustainable future and build enduring value for all.

Sincerely,
May Ng Bee Bee

Corporate Structure

PAN-UNITED CORPORATION LTD

CONCRETE & CEMENT

- Pan-United Industries Pte Ltd 100%
- Pan-United Concrete Pte Ltd 100%
- Raffles Concrete Pte Ltd 100%
- Fortis Star Sdn Bhd 100%
- Fico Pan-United Concrete Joint Stock Company 55%
- United Cement Pte Ltd 100%
- Raffles Cement Pte Ltd 49%
- Meridian Maplestar Sdn Bhd 100%
- Blue Marble Sustainability Technologies Pte Ltd 100%

TECHNOLOGY

- Pan-United Technologies Pte Ltd 100%
- AiR Digital Solutions Pte Ltd 100%

TRADING

- PanU Harmony Pte Ltd 100%
- United Bulk Shipping Pte Ltd 51%

Financial Calendar

31 DECEMBER 2024
Financial Year End

25 FEBRUARY 2025
Announcement of 2024 results

24 APRIL 2025
Annual General Meeting

16 MAY 2025
Payment of final dividend

AUGUST 2025
Announcement of 2025 Half-year results

Corporate Information

Board of Directors
May Ng Bee Bee
Executive Chairman

Patrick Ng Bee Soon
Deputy Chairman, Executive Director

Fong Yue Kwong
Lead Independent Director

Soh Ee Beng
Independent Director

Chan Wan Hong
Independent Director

Management
Ken Loh Kah Soon
Chief Executive Officer

Company Secretary
Kevin Cho

Registered Office
7 Temasek Boulevard
#16-01 Suntec Tower One
Singapore 038987

Share Registrar
Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Auditor
Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583

Audit Partner
Ong Beng Lee, Ken (since financial year 2020)

Board Of Directors

May Ng Bee Bee
Executive Chairman

Ms May Ng Bee Bee has been the Executive Chairman of Pan-United Corporation Ltd since July 2024.

She was previously the CEO of the Group from March 2011 and before that, held the position of Executive Director of the Group from January 2004 to February 2011.

Ms Ng sits on the boards of several subsidiaries in the Group. She also serves as an Independent Non-Executive Director of NTUC Enterprise Co-operative Ltd and Singapore Technologies Engineering Ltd.

Ms Ng was previously the Independent Non-Executive Chairman of Mercatus Co-operative Ltd.

She holds a Bachelor of Arts (Honours) degree from the University of Western Ontario, Canada.

Patrick Ng Bee Soon
Deputy Chairman, Executive Director

Mr Patrick Ng has been the Deputy Chairman of Pan-United Corporation Ltd since March 2011.

He was CEO of the Group from January 2004 to February 2011. He also serves as a Director of several subsidiaries in the Group.

Mr Ng is currently an Executive Director of Zhuhai Harbour (Singapore) Company, Limited (formerly known as Xinghua Port Holdings Ltd).

He has a Bachelor of Science degree from the University of Oregon, United States.

Fong Yue Kwong
Lead Independent Director

Mr Fong Yue Kwong has been an Independent Director of Pan-United Corporation Ltd since March 2020 and was redesignated as the Lead Independent Director since July 2024.

He has more than 40 years of experience in the port, marine supply base and logistics industries in Singapore and Asia, particularly China.

Mr Fong joined JTC Corporation in 1978 and rose through the ranks to become the first President of the corporatised Jurong Port in 2001. After he retired from JTC in 2011, Mr Fong served as Advisor to Pacific International Lines (Pte) Ltd, Keppel Logistics Pte Ltd and Shenzhen Chiwan Petroleum Supply Base Co., Ltd.

Mr Fong has been a board member of Kwong Wai Shiu Hospital since 2011.

He holds a Bachelor of Engineering (Mechanical) degree from the University of Canterbury, New Zealand and a Master in Business Administration from the University of East Asia, Macau.

Soh Ee Beng
Independent Director

Mr Soh Ee Beng has been an Independent Director of Pan-United Corporation Ltd since December 2018.

He has 26 years of experience in investment banking, including mergers and acquisitions, initial public offerings, equity placements and equity-linked transactions. He has advised on both public and private transactions across Asia.

Mr Soh has worked at several leading financial institutions. He served as Senior Advisor at Houlihan Lokey and prior to that, he was the Managing Director and Head of Advisory for South East Asia at The Hongkong and Shanghai Banking Corporation Ltd. In previous appointments, he was the Managing Director and Head of Investment Banking of N M Rothschild & Sons (Singapore) Ltd, the CEO and Head of Investment Banking of BNP Paribas Peregrine (Singapore) Ltd, and the Director of Corporate Finance of ING Bank N.V.

He currently serves as an Executive Director of UOB Kay Hian Pte Ltd and as an Independent Director of Cortina Holdings Limited. He was previously an Independent Non-Executive Director of Xinghua Port Holdings Ltd.

Mr Soh has a Bachelor of Accountancy degree with First Class Honours from Nanyang Technological University, Singapore.

Chan Wan Hong
Independent Director

Mr Chan Wan Hong has been an Independent Director of Pan-United Corporation Ltd since July 2024.

Mr Chan brings more than 25 years of legal expertise to his practice. He is a Senior Director at FC Legal Asia LLC. Prior to that, he was a Director at Atlas Asia Law Corporation (an independent member firm of the EY global network) from 2019 to 2022. He was a Partner / Senior Partner of Dentons Rodyk LLP (formerly Rodyk & Davidson LLP) from 2011 to 2019, and was an Associate / Partner with Rajah & Tann LLP from 1999 to 2011.

A practising lawyer, Mr Chan has extensive experience in capital market transactions, and advises SGX-listed companies on their corporate actions and ongoing compliance requirements. He has been ranked and recognised by various legal publications in his areas of practice.

Mr Chan currently also serves as an Independent Non-Executive Director of Centurion Corporation Limited and as an Independent Director of Multi-Chem Limited.

He holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

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Performance Review

2024 was a brisk year of supplying low-carbon concrete solutions to public and private sector projects, and of advancing our technology business model.

NS SQUARE

One of our projects, the NS Square at Marina Bay, is set to become a national landmark for all Singaporeans.

Image courtesy of Ministry of Defence

Singapore

The brisk construction market in 2024 kept Pan-United busy as we ramped up operations to meet higher demand, while continuing to actively manage costs and optimise efficiency. The Building and Construction Authority (BCA) reported[1] preliminary construction demand totalling $44.2 billion in 2024, exceeding the upper end of its forecast of $41 billion.

The healthy uptake was supported by a wide range of projects that came onstream in the public and private sectors. These included infrastructure, public housing, institutional, industrial, commercial and residential projects. Pan-United participated in all these sectors, providing more low-carbon concrete solutions to numerous projects. Over 50% of our total sales volume is in low-carbon solutions, and this figure is steadily improving.

We were the sole concrete supplier to the Labrador Tower project until its completion in 2024, including the raft foundation for which we achieved a national record for the largest two continuous mass pours at the height of the pandemic in 2020.

Pan-United remains closely tied to the development of Singapore. Longer-term public sector projects include new stations eastwards along the Thomson-East Coast Line, more container berths and stacking yards at the mega Tuas Port, and the development of Changi East.

Within the Central Business District, we successfully completed a continuous mass pour over 35 hours for the 5-metre high raft foundation of The Skywaters at 8 Shenton Way in March 2025. When completed in 2028, Skywaters will overtake Guoco Tower, also another Pan-United project, to be the tallest building in Singapore. We also supplied low-carbon concrete to IOI Central Boulevard Towers at Marina Bay, a mixed-use development which opened in early 2024.

[1] https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025

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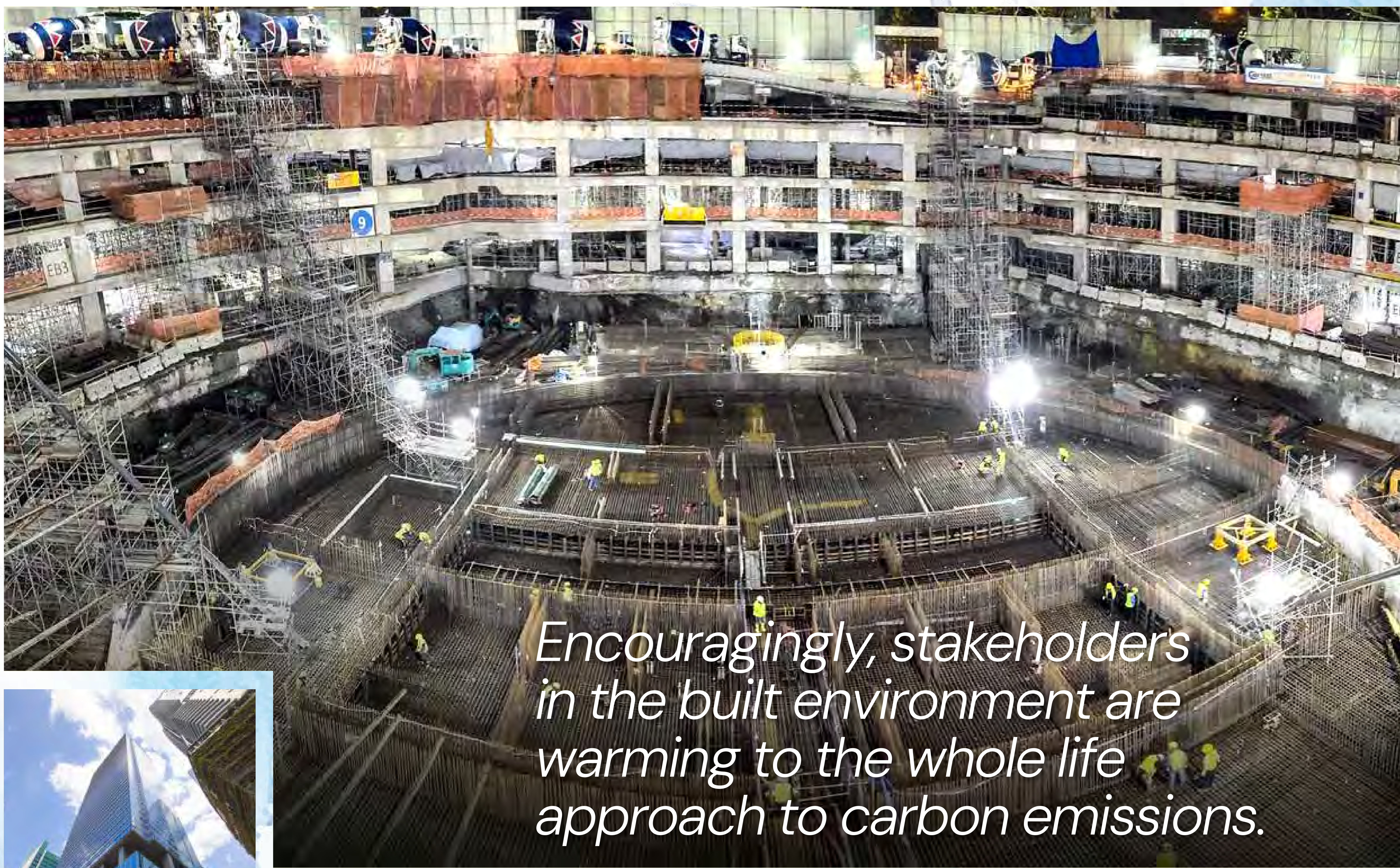

Encouragingly, stakeholders in the built environment are warming to the whole life approach to carbon emissions.

The continuous concrete mass pour in March 2025 for the 5-metre thick raft foundation of The Skywaters at 8 Shenton Way was smoothly completed in 35 hours within tight space constraints around the site. See page 17 on the AiR Digital system.

We supplied low-carbon concrete solutions for IOI Central Boulevard Towers which was completed in 2024.

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Since 2024, Pan-United has become one of the world's top producers of carbon mineralised concrete, achieving the highest CO_2 savings per plant.

Pan-United has one of the world's most extensive in-house R&D capabilities for concrete innovation.

The Surbana Jurong Campus is built with sustainable concrete that incorporates carbon mineralisation technology (PanU CMC+).

Pan-United proudly participated in the development of Singapore's fifth wildlife park, Mandai Rainforest Wild ASIA, including a new hotel within the national park, which recently opened in early 2025.

Projects completed in 2024 where we supplied concrete included the Surbana Jurong Campus, Woodlands Health Campus and Punggol Digital District, as well as the newly-opened Immigration and Checkpoints Authority Services Centre at Crawford Street. During the year, we also completed supplying concrete to Labrador Tower, a project with which we achieved a national record for the largest two continuous concrete mass pours to form its raft foundation, amidst the pandemic in 2020.

Northwards in Mandai, one of our most unique projects is Singapore's fifth wildlife park, the new Rainforest Wild ASIA, as well as the nature-inspired Mandai Rainforest Resort within the wildlife reserve.

Innovative concrete technologies

Alongside our mission to be the global leader in low-carbon concrete technologies, we are encouraged by the growing acceptance of carbon mineralisation technology in the built environment industry. Pan-United has a proprietary carbon mineralised concrete, branded as PanU CMC+, which not only requires less cement, but the resultant concrete is also stronger. By using PanU CMC+, building owners and developers can reduce the whole life carbon footprint of their projects – in the form of lower embodied carbon emissions – even before construction is completed.

Since 2024, Pan-United has become one of the world's top producers of carbon mineralised concrete, achieving the highest carbon savings per plant. One notable project that uses PanU CMC+ is Tuas Port. We have supplied over 415,000m^3 of PanU CMC+ as at end-March 2025, effectively making Tuas Port a man-made carbon sink preventing more than 110 million kg of embodied carbon from entering the atmosphere.

We are also supplying PanU CMC+ to a broad range of developments such as Land Transport Authority's (LTA) North-South Corridor and Cross Island Line, commercial buildings like Shaw Tower and The Skywaters at 8 Shenton Way, the Founders' Memorial national monument at Bay East Garden, as well as numerous other public and private residential projects.

AiR Digital empowers businesses to streamline operations, strengthen internal controls, boost efficiency and enhance profitability through seamless operational integration and real-time capabilities.

Our operations at Pan-United are powered by the AiR Digital system, which is centrally managed from our Command Centre.

Digital transformation

2024 marked a key milestone as Pan-United's technology arm, AiR Digital, expanded its AI-powered optimisation solutions into new sectors, namely logistics and trading. This expansion reflects a broader shift in these industries, where new business models have surfaced, leveraging technology through platforms that interact with customers via mobile devices. AiR Digital's fully configurable solutions can be tailored to suit the unique end-to-end operational needs of companies in these sectors.

Leveraging deep domain expertise from its ready-mix concrete parentage, AiR Digital empowers businesses to streamline operations, strengthen internal controls, boost efficiency and enhance profitability through seamless operational integration and real-time capabilities. AiR Digital is empowering RMC companies in Singapore, Malaysia, Vietnam and New Zealand to optimise their processes.

The AiR Digital system effectively managed the complex logistics of The Skywaters raft foundation mass pour including fleet optimisation, auto-replenishment of raw materials and truck queueing (see page 13).

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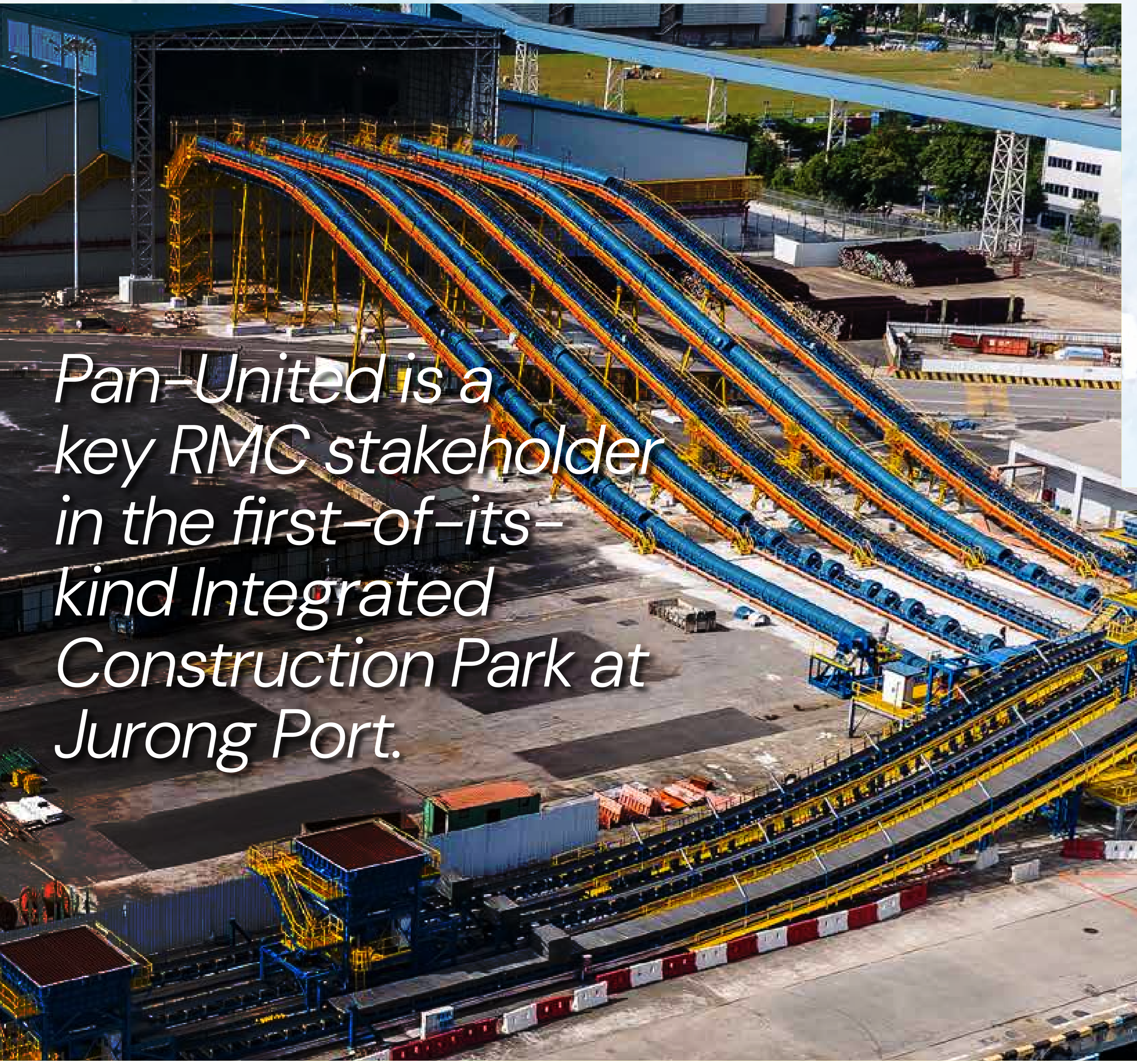

Pan-United is a key RMC stakeholder in the first-of-its-kind Integrated Construction Park at Jurong Port.

The automated conveyor system at the new Integrated Construction Park for handling aggregates.

Image courtesy of Jurong Port

Infrastructure and urban development as well as climate change are expected to drive demand for sustainable low-carbon building materials. Pictured here is Marine Terrace Station, one of the latest extensions of the Thomson-East Coast Line in 2024.

In November 2024, Pan-United and other stakeholders in the built environment industry celebrated a milestone with the official launch of Jurong Port's new RMC Ecosystem. The RMC Ecosystem is a key facility in Singapore's first-of-its-kind Integrated Construction Park aimed at boosting the efficiency and sustainability of Singapore's construction industry.

Also in November, Pan-United was awarded the Overall Sector Winner of the Centurion Club Awards by The Edge Singapore. The award highlights our all-round performance across key metrics, including returns to shareholders, growth in profit after tax, and weighted average return on equity.

2025 and Beyond

BCA has forecasted[2] that Singapore's construction demand for 2025 is expected to grow between \$47 billion and \$53 billion in 2025, as compared to \$44.2 billion in 2024. The robust demand is supported by the anticipated award of contracts for several large-scale public projects. These include Changi Airport Terminal 5 (T5), NS Square at Marina Bay, the expansion of the Marina Bay Sands Integrated Resort, as well as public housing development and upgrading works. 2025 construction output is projected to range between \$39 billion and \$42 billion, up from \$38.4 billion in 2024.

Beyond 2025, the outlook for Singapore's construction sector remains positive as building demand is expected to stay robust. From 2026 to 2029, total construction demand is expected to reach an average of between \$39 billion and \$46 billion annually, underpinned by substantial developments such as Changi East, Tengah General and Community Hospital, Woodlands North Coast industrial estate, Siglap South Integrated Development, public housing developments, MRT projects, commercial building redevelopments and other urban rejuvenation projects.

[2] https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025

Malaysia

Malaysia's construction industry saw robust growth in 2024, fuelling demand for our concrete across numerous projects in Johor, Selangor and Penang.

Pan-United's wholly-owned subsidiary, Fortis Star, deepened its presence in Malaysia during the year by securing several new residential and commercial projects. It also continued to execute its ongoing projects well. In 2024, Fortis Star completed several notable projects in Johor, such as the multi-tower service apartment development Aliff Heights and the prominently coloured Nippon Paint Factory in Johor Bahru.

Fortis Star also saw steady demand for its concrete to build infrastructure projects in Penang such as the Mutiara LRT line and Silicon Island. In Selangor, Fortis Star's Subang Plant supplied its concrete to LHDN Office Tower in Shah Alam.

In 2024, Fortis Star became the first company to provide CO_2 mineralised concrete in Malaysia. This specialised concrete product known as PanU CMC+ was used for the expansion of BMW Group's Regional Parts Distribution Centre in Johor Bahru.

The Infiniti at Riviera Point by Keppel utilises sustainable concrete featuring carbon mineralisation technology (PanU CMC+) in its construction.

One of our projects, the prominently coloured Nippon Paint Factory development in Johor Bahru, Malaysia.

Keppel and Phu Long's Celesta Avenue uses sustainable concrete that integrates carbon mineralisation technology (PanU CMC+) in its development.

Vietnam

Over in Vietnam, FiCO Pan-United (FiCO PanU) marked a significant milestone in 2024, pioneering CO_2 mineralised concrete technology and leading the industry in reducing embodied carbon emissions. In May 2024, the company partnered Keppel and Coteccons to explore the use of sustainable concrete, ready-mix mortar and other innovative architectural materials, as well as construction methodologies using 3D printing. These novel building materials and technologies will be used in Keppel's The Infiniti at Riviera Point, an integrated waterfront development in Ho Chi Minh City. Other residential projects using PanU CMC+ in Ho Chi Minh City include Keppel and Phu Long's Celesta Avenue, and Phu Long's Essensia Sky.

FiCO PanU also supplied concrete to Ho Chi Minh City's first-ever Metro Line, launched in December 2024 to connect District 1 to Thu Duc City. Another ongoing landmark project in the city is the Wastewater Treatment Plant project in District 2. Upon expected completion in 2026, the plant will be the largest-of-its-kind in Southeast Asia.

Good planning and teamwork underpinned the timely completion of the Marina Central Tower. A skyline landmark in District 1 of Ho Chi Minh City, the development utilised PanU Hi-Pump Mix for its vertical structures and recorded the largest single pour of 10,000m^3 by a single concrete supplier in the city.

FiCO PanU continually raises awareness among local developers and architects on reducing embodied carbon emissions in concrete, helping them to obtain national and international certifications - Green Mark, LEED and LOTUS - for their building projects. The company will further promote sustainability in the built environment by supporting the commitment that Vietnam made at the COP26 Climate Conference – to achieve net-zero emissions by 2050.

Sustainability

As a leading building materials provider, Pan-United advocates for the use of low-carbon technologies and practices to benefit the environment.

A full house of over 200 participants from the built environment industry attended our inaugural seminar focussing on various aspects of the whole life carbon approach. Pictured here is Kelvin Wong, CEO of BCA, giving the keynote address.

Engaging stakeholders

Pan-United continues to be a strong advocate for industry sustainability. We participated in various events and presentations to engage and collaborate with built environment stakeholders on sustainable technologies, and to raise awareness about the importance of whole life carbon in reducing emissions. We continually shared insights on low-carbon concrete solutions and promoted practices that contribute to a greener built environment.

In April 2024, we hosted the "Decoding Whole Life Carbon" seminar, drawing a full house of over 200 key stakeholders from the built environment industry. Topics discussed at the seminar included the latest carbon capture & utilisation technologies, the importance of early-stage building design for carbon accounting, the role of green financing, and the developer's perspective on whole life carbon.

Electrification

Pan-United is widening our use of alternative fuel technologies as we work towards our goal of becoming a carbon-neutral concrete company by 2050. We are committed to seeking innovative solutions that will reduce our carbon footprint and decarbonise the built environment.

In July 2024, Pan-United piloted Singapore's first electric-powered concrete mixer truck. The electric vehicle lowers the carbon footprint of transporting concrete by 45% compared to a fuel-powered mixer truck, while concurrently reducing noise pollution significantly.

Other initiatives that have been implemented to power our operations via alternative energy resources include the use of electric gensets and e-wheel loaders at our plants. We also completed the installation of solar panels in Singapore, further reducing our carbon footprint.

Earlier in 2024, Pan-United piloted Singapore's first electric-powered concrete mixer truck (above). We will soon pilot an electric-powered cement truck as part of our electrification programme in 2025.

Our latest initiative is the installation of a high-capacity EV fast charger at one of our plants. We will soon pilot an electric-powered cement truck as part of our electrification programme.

Pan-United has also developed an in-transit concrete management system, AiM (Artificial Intelligence Mixing), which monitors and adjusts concrete consistency during transit. The system ensures consistent product quality, reducing the need for on-site quality checks and minimising workforce requirements, all while improving efficiency and reducing project delays. Our goal is to outfit all our eligible concrete trucks with AiM by end-2025.

Speakers at the Decoding Whole Life Carbon Seminar. From left: Joy Gai, Asia Pacific Programmes Head at World Green Building Council; Chen Wennjie, Associate Director at Climate Asia; Joelle Chen, Head of Sustainability Asia at Lendlease; Lee Ang Seng, President of Singapore Green Building Council; Dr Yang En-Hua, Associate Professor and Associate Chair (Academic) at Nanyang Technological University; Benjamin Towell, Executive Director at OCBC Sustainability Office.

Above and at right: Employees from different offices and plants came together for a day of fun and games at our first Team Bonding Day at Sentosa.

Cohesive culture

The Pan-United family of employees is the bedrock of our business and is integral to our shared success. To encourage employee integration and bonding as part of a cohesive culture, we organised our first Team Bonding Day at Sentosa in October 2024. Some 300 employees from our offices and plants across Singapore participated in a variety of games and team-building activities in an ambient informal setting.

Workplace Safety & Health

In December 2024, we launched a Workplace Safety and Health (WSH) campaign at our Tengah plant, led by CEO Ken Loh and Safety Chairman Alvin Chan. The goal was to raise awareness of workplace safety practices and demonstrate Pan-United's commitment to employee well-being, with a focus on the safe driving of heavy goods vehicles such as concrete mixer trucks. The event began with the unveiling of a new WSH campaign banner emphasising safety when driving large vehicles, followed by an interactive session about risks, including blind spots, and safe practices.

Pan-United also continually conducts safety training for all our employees and this has garnered encouraging results. For instance, in the second half of 2024, the number of sick leave days taken by our drivers went down to 32 days, compared to 308 days in the second half of 2023. Looking ahead, we will continue to implement best practices, invest in equipment, offer incentives and conduct workshops to raise safety levels across all aspects of our business.

Community

Within the community, Pan-United was the official trophy sponsor at the Singapore ConTech Summit 2024, part of the International Built Environment Week organised by BCA. This event showcased the latest advancements in construction technology through a competition featuring 10 local and international startups. The trophies presented to the winners were crafted from our proprietary low-carbon PanU CMC+ as a symbol of our commitment to sustainability and our mission to decarbonise the built environment.

Pan-United also supported the tertiary education sector by co-sponsoring the Nanyang Technological University (NTU) 2024 Bridge Design Competition for the second consecutive year. This annual event, organised by the NTU Civil and Environmental Engineering Club, attracts more than 100 teams globally, providing a platform for students to showcase their engineering skills and creativity.

We continue to collaborate with the National Heritage Board (NHB) on various artistic and cultural initiatives, particularly in the Bras Basah precinct, part of Singapore's arts and heritage district. Our involvement extends beyond traditional construction projects, showcasing the versatility of our low-carbon concrete in supporting artistic and cultural applications.

Above and at left: Our Workplace Safety and Health campaign was launched at Pan-United's Tengah Plant, led by CEO Ken Loh and Safety Chairman Alvin Chan, to promote workplace safety practices and employee well-being, focusing on safe driving.

Financial Report

Report on Corporate Governance

The Company, which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the SGX-ST) on 22 December 1993, has set in place self-regulatory corporate governance practices and has enhanced its internal policies and practices. The Company has adopted the Code of Corporate Governance 2018 (Code) as the benchmark for its corporate governance policies and practices.

This report describes the Company's corporate governance practices that were in place for the financial year ended 31 December 2024 (FY2024) with specific reference to the Code. It is arranged according to the principles listed in the Code. Principles 1 to 5 deal with board matters, Principles 6 to 8 with remuneration matters, Principles 9 to 10 with accountability and audit, Principles 11 to 12 with shareholder rights and engagement and Principle 13 with managing stakeholders relationships. Explanations have been provided where there are deviations from the Code.

Board of Directors
At the date of this report, the Board comprises five directors including three independent directors, namely:

i Ng Bee Bee – Executive Chairman (Appointed as Executive Chairman on 15 July 2024)
ii Patrick Ng Bee Soon – Deputy Chairman, Executive Director
iii Fong Yue Kwong – Lead Independent Director (Redesignated on 15 July 2024)
iv Soh Ee Beng – Independent Director
v Chan Wan Hong – Independent Director (Appointed on 15 July 2024)

The profile of each director is set out on pages 8 and 9 of the Annual Report.

At the upcoming Annual General Meeting (AGM), the following directors have been recommended by the Nominating Committee (NC) for re-election:

Director retiring pursuant to Regulation 88 of the Constitution of the Company (Constitution) and seeking re-election:
- Chan Wan Hong

Directors retiring pursuant to Regulation 89 of the Constitution and seeking re-election:
- Ng Bee Bee
- Soh Ee Beng

Additional information relating to the Directors seeking re-election as required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found on page 46 to page 51 of the Annual Report.

BOARD MATTERS
The Board's Conduct of Affairs
Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.
The Board is collectively responsible for providing the overall strategy and direction to the Management and the Group. Each member of the Board has fiduciary duty to discharge his or her duties and responsibilities in the best interests of the Company at all times and holds Management accountable for performance. The Board delegates the day-to-day operations to Management. However, significant matters exceeding the internal financial limits set by the Board require the Board's approval.

The Board's role is to:
– provide entrepreneurial leadership, set strategic aims and ensure proper accountability within the Group;
– set the Group's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met;
– establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interest and the Company's assets;
– review the performance of Management, identify the key stakeholders groups and recognise that their perceptions affect the Company's reputation; and
– consider sustainability issues such as environmental, social and governance factors as part of the Board's strategic formulation.

Each member of the Board is required to adhere to the highest standards of ethics, integrity and accountability in the key areas such as conflicts of interest, duty of confidentiality, loans to directors (if any), directors' declaration of interest under the Singapore Companies Act 1967, external appointments and dealings in shares. Where a director has a conflict or potentially conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she will abstain from voting in relation to the conflict-related matters. On an annual basis, each director confirms his/her compliance with the Company's policy for dealing in the securities of the Company and submit the details of his/her associates for the purpose of monitoring interested person transactions.

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Board Orientation, Training and Updates
The Company has in place an orientation programme to familiarise new directors with the Company's structure and organisation, businesses and governance policies. Site visits to the Group's core business units and interaction with the senior Management also form part of the orientation programme. All new directors will undergo training and briefing on the roles and responsibilities as directors of a listed company for an understanding of their legal and fiduciary obligations as an individual and of the Board as a whole. The Company engages lawyers, consultants and/or the company secretary for regular updates to the Board on major changes of relevant laws and regulations for a listed company.

The Company has adopted a policy to instill and encourage continuous education and training for the Board to keep pace with the regulatory changes and latest developments relevant to the Group. All the directors are members of the Singapore Institute of Directors. An annual budget has been allocated for the training needs of the Board. Under the purview of the Nominating Committee (NC), the directors are encouraged to attend conferences and seminars, relating to finance, legal, business strategy, risk management, sustainability and corporate governance issues. In FY2024, the Directors attended courses and seminars on the areas of Audit Committee, Nominating Committee and Remuneration Committee. The Executive Chairman and Chief Executive Officer of the Company completed the Top Executive Workplace Safety and Health Programme in 2024.

Matters Requiring Board Approval
Matters requiring Board's decision and approval include:

– decide on strategic directions, key initiatives, policy matters and major transactions;
– approve annual capital and operating budgets;
– monitor Management's performance and review the financial performance of the Group;
– ensure the adequacy and effectiveness of internal controls;
– implement effective risk management systems;
– decide on the appointment and removal of the company secretary;
– ensure compliance with the Singapore Companies Act 1967, accounting standards, SGX listing rules and all other relevant statutes and regulations;
– consider sustainability issues such as climate-related risk and opportunities, environmental, social and governance factors; and
– adopt relevant leading business practices.

Delegation of Authority on certain Board Matters
To facilitate effective management, certain functions have been delegated to four Board Committees, namely, the Audit Committee, Executive Committee, Nominating Committee and Remuneration Committee, each of which is governed by clear terms of reference which has been approved by the Board. Minutes of all Board Committees meetings are provided to the directors for their information and update on the proceedings and matters discussed during such meetings.

The Company and the Group have in place financial and approval limits for procurement of goods and services, capital expenditure, investments, divestments, bank borrowings, credit limits and payment signatories' arrangements. Also, to facilitate operational efficiency, sub-limit approvals are adopted for the Executive Committee and the different levels of Management.

The Executive Committee (EXCO) comprises:

i Ng Bee Bee – Chairman (Appointed as EXCO Chairman on 15 July 2024)
ii Patrick Ng Bee Soon
iii Ken Loh Kah Soon (Appointed as EXCO Member on 15 July 2024)

Details of other Board Committees are as set out below:
i Nominating Committee (Principle 4)
ii Remuneration Committee (Principle 6)
iii Audit Committee (Principle 10)

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Report on Corporate Governance (continued)

Meetings of the Board and Board Committees, and General meetings

The Board meets at least four times annually and additional meetings may be held as and when necessary to address any significant matters that may arise. Telephonic attendance and conference via audio-visual communication at board meetings are allowed under the Constitution.

The record of the directors' attendance at the scheduled meetings held during FY2024 is set out as follows:

Name of director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
Total number of meetings	**5**	**2**	**5**	**3**	**1**
Ng Bee Bee	5	–	–	–	1
Patrick Ng Bee Soon	5	–	5	–	1
Soh Ee Beng	5	2	5	3	1
Fong Yue Kwong	5	1	4	3	1
Chan Wan Hong (Appointed on 15 July 2024)	3	1	–	1	–
Tay Siew Choon (Retired on 26 April 2024)	1	1	1	–	1
Jane Kimberly Ng Bee Kiok (Retired on 26 April 2024)	1	1	–	1	1

Access to Information

The directors are provided with quarterly reports on the Group's financial position as well as timely and complete information to enable them to discharge their responsibilities. The directors are at liberty to request for further explanations, briefings or additional materials on any operational or business issues. The board papers and related materials are sent to directors in advance of each board meeting.

The directors have separate and independent access to senior Management and the company secretary at all times. The company secretary or his representative attends and maintains minutes of all meetings of the Board and Board Committees. The appointment and removal of the company secretary are subject to the Board's approval.

The directors, in carrying out their responsibilities, may either individually or as a group, appoint professional advisers of their choice to render advice at the expense of the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. The Company has adopted a Board Diversity Policy which sets out the approach to diversity on its Board of Directors. The 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. A diverse Board will include and make good use of differences between the Directors in terms of skills, knowledge, experience, background, gender, age, ethnicity, tenure of service, independence and other distinguished qualities. The Nominating Committee (NC) has been tasked to implement and monitor the Board Diversity Policy and to implement measures including selection and nomination of suitable candidates from diverse backgrounds to be appointed as new director(s) of the Company. When reviewing and assessing the composition of the Board and making recommendations to the Board for appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board to achieve diversity in the Board. The final decision on the selection of Directors will be based on merit against an objective criteria that complements and expands the skills and experience of the Board as a whole to be effective, with due regard for the benefits of diversity on the Board.

The Board, with the concurrence of the NC, having reviewed and considered the size of the Board and the Board Committees, is of the view that the current size is appropriate for the nature and scope of the Company's operations and facilitates effective decision-making for the existing needs and demands of the Group's businesses. The Board constantly reviews the board's diversity covering aspects ranging from skills, experience, knowledge, gender, age, tenure of service, independence and other distinguished qualities to enhance decision-making capability and foster constructive debate.

The members of the Board possess complementary skillset, knowledge and experience in multi-industries, such as finance, investment and management. The average age of the Directors is 60 years old, with the range from 51 years old to 72 years old. The Company has one female director on the Board. The Company is of the view that there is diversity in the Board. The Board, with the concurrence of the NC, is also of the view that the composition of the Board and the Board Committees, as a group, provides an appropriate balance and diversity of skills, experience, knowledge, gender and age to the Group. No individual or group dominates the Board's decision-making process.

The non-executive directors, who make up a majority of the Board, always constructively challenge and help develop proposals on strategy and review Management's performance in meeting agreed goals and objectives, and monitor the reporting of Management's performance. The non-executive directors also set aside time to meet without the presence of Management and provide feedback to the Board as appropriate.

Based on the self-declaration provided by each director of any relationships as set out in the SGX Listing Manual and the Code, the individual, peer and board evaluations undertaken and informal reviews conducted, the Board has assessed and determined that the three non-executive directors, namely Messrs Fong Yue Kwong, Soh Ee Beng and Chan Wan Hong, have each exercised independent judgement in the interests of the Company and discharged his duties as an independent director effectively. The Board was satisfied that there was no relationship or other factors such as financial assistance, past association, business dealings, being a representative of a shareholder, financial dependence, relationship with the Company or the Company's management, which would impair or compromise their independent judgement or which would deem them not to be independent. The independent directors are respected members of the business community and they provide core competencies such as accounting, finance, legal, business acumen and management expertise. The Board is of the view that they contribute to the strong independent element of the Board.

The dates of the first appointment for the directors are set out on page 34 of the Annual Report.

Chairman and Chief Executive Officer (CEO)

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Executive Chairman and CEO are separate and consist of one director and one senior management personnel who have no familial relationship with each other. The Executive Chairman, Ms Ng Bee Bee is an executive director who bears responsibility for providing leadership and working with the Board to set the strategies for the direction and development of the Group, and assists in enhancing the Company's corporate governance practices. The CEO, Mr Ken Loh Kah Soon, the former Chief Operating Officer of the Company prior to this position, is responsible for the day-to-day operations, the implementation of the Group's overall strategies, as well as the management, development and growth of the Group.

The Executive Chairman's role includes the following:
- leading the Board to ensure its effectiveness on all aspects of its roles;
- setting the agenda and ensure adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- ensuring that the directors receive accurate, adequate, timely and clear information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors at board meetings; and
- promoting high standards of corporate governance.

Lead Independent Director

Pursuant to Provision 3.3 of the Code, the Board should have a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Ms Ng Bee Bee was appointed as the Executive Chairman of the Company on 15 July 2024, and concurrently, the Board redesignated Mr Fong Yue Kwong as the Lead Independent Director of the Company on the same day. The Lead Independent Director is available through his email address, secretariat@panunited.com.sg, to shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman or Management are inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee (NC) comprises the following three members, the majority of whom, including the NC Chairman, are non-executive independent directors. The Lead Independent Director is a member of the NC.

i Soh Ee Beng – Chairman (Appointed as NC Chairman on 15 July 2024)
ii Patrick Ng Bee Soon
iii Fong Yue Kwong (Appointed as NC Member on 25 March 2024)

Report on Corporate Governance (continued)

Board Membership (continued)

The main functions of the NC as governed by its written terms of reference, which are approved by the Board, are as follows:

- review succession plans for directors including the Chairman, the CEO and key management personnel and make recommendations to the Board on new appointments;
- assess, through a process implemented by the Board, the effectiveness of the Board as a whole and each of the Board Committees and the contribution by each individual director to the effectiveness of the Board;
- review training and professional development programs for the directors;
- implement and monitor the board diversity policy;
- nominate directors, having regard to their contribution and performance, for re-nomination and re-election;
- determine whether or not a director is independent;
- decide whether or not a director is able to and has been adequately carrying out his duties as director of the Company; and
- ensure new directors are aware of their duties and obligations.

Having considered the recommendations of the Code and the NC, the Board limits the maximum number of outside directorships of listed companies and principal commitments to five, i.e. the non-executive directors of the Company should not hold more than five directorships in other listed companies including principal commitments.

The 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. The NC, in consultation with the Board, evaluates and determines the selection criteria so as to identify candidates with appropriate expertise and experience for the appointment as new director. The selection criterion 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. A formal letter of appointment, explaining among other matters, the roles, obligations, duties and responsibilities as member of the Board, will be issued to new directors. Alternative directorships in the Company are not encouraged by the NC. The Company has no alternate directors on its Board. During the financial year in review, Mr Chan Wan Hong was appointed to the Board on 15 July 2024. No external search consultants were engaged by the Company in FY2024.

The Board reviews annually whether a Director is considered an Independent Director based on the 2018 Code and the Listing Rules. The Board has ascertained that for the financial year in review, the Independent Directors are independent. Please see the disclosures with respect to Principle 2 "Board Composition and Guidance" for the assessment of the Directors' independence by the NC and the Board.

In accordance with Regulation 88 of the Constitution, all newly appointed directors will only hold office until the next AGM and Regulation 89 of the Constitution provides that every director shall, subject to the Singapore Companies Act 1967, retire from office at least once every three (3) years.

The dates of first appointment and last re-election of each director are set out below:

Name of director	Age	Position	Date of first appointment	Date of last re-election
Ng Bee Bee	57	Executive Chairman	31/01/2004	22/04/2022
Patrick Ng Bee Soon	62	Deputy Chairman, Executive Director	25/05/1993	20/04/2023
Fong Yue Kwong	72	Lead Independent Director	01/03/2020	20/04/2023
Soh Ee Beng	56	Independent Director	17/12/2018	22/04/2022
Chan Wan Hong	51	Independent Director	15/07/2024	-

Notes
1) Information on directors' shareholdings in the Company and its related companies is set out on page 52 of the Annual Report.
2) Information on directorships or chairmanships in other listed companies and other major appointments is set out on pages 8 and 9 of the Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has adopted an internal process for evaluating the effectiveness of the Board as a whole and each of the Board Committees and individual directors annually. Each director is required to complete a board evaluation form to be returned to the NC Chairman. The evaluation results are subsequently consolidated and presented to the Board together with the NC's recommendations at the board meeting held prior to the AGM.

In evaluating the Board's performance, the NC may take into consideration qualitative and quantitative performance criteria. The evaluation parameters may include performance against set goals and contribution to the Group's long-term objectives and revenue growth. Each director's individual performance is also undertaken on an annual basis through peer evaluation and self-assessment. No external facilitator has been engaged for the evaluation of the Board performance in FY2024.

The Board has decided that the results of the evaluation exercise should not be publicised as the key objective is to obtain constructive feedback from each director to continually improve the Board's performance.

Based on the results of the evaluation exercise of the Board as a whole and each of the Board Committees as well as the performance of each director for FY2024, the NC is satisfied that the Board, Board Committees and all the directors have adequately and effectively carried out their duties.

REMUNERATION MATTERS

Procedures for developing remuneration policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee (RC) comprises three members who are all non-executive independent directors, namely:

i Fong Yue Kwong – Chairman
ii Soh Ee Beng
iii Chan Wan Hong (Appointed as RC Member on 15 July 2024)

The main functions of RC as governed by its written terms of reference, which are approved by the Board, are as follows:

- recommend to the Board, for their endorsement, a general framework of remuneration for the Board and key management personnel;
- review and recommend to the Board, for their endorsement, the directors' fees for the non-executive directors of the Company to be tabled for shareholders' approval at each Annual General Meeting, the annual remuneration package for each executive director of the Company and key management personnel, which includes a performance-related variable bonus component;
- decide on the early termination compensation of executive directors and key management personnel;
- consider whether directors, key management personnel and other executives should be eligible for benefits under long-term incentive schemes;
- review the design of all share incentive plans for approval by the Board and shareholders; and
- administer all share incentive plans in place.

The RC has access to expert advice in the field of executive compensation outside the Company, as and when required. In March 2024, the Company has engaged external consultants to conduct a compensation review of the Company's Non-Executive Directors.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

An appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Non-executive directors are paid directors' fees while executive directors are not paid directors' fees. The RC recommends the directors' fees to the Board annually, after taking into consideration factors such as effort, time spent, contribution, responsibilities and the level of fees of directors in similar industries. The Chairman of each Board Committee is paid a higher fee because of the greater responsibility carried by that office. The RC ensures that non-executive directors are not over-compensated to the extent that their independence may be compromised. Members of the RC do not participate in any discussions or decisions concerning their own remuneration. Directors' fees are subject to shareholders' approval at the Company's annual general meetings.

No director is involved in deciding their own remuneration.

With the objectives of maintaining competitive non-executive directors fees and structure, aligning with market and corporate governance best practices, and attracting and retaining key directors, the RC engaged the external consultant firm in March 2024 to assist in the review of the Company's non-executive directors' fees structure at that time. Following the review and recommendation, the RC sought and obtained the Board's approval to adopt the following Non-Executive Directors' Fees Structure for FY2024:

	Committee Fee Structure ($ per annum)	
Board Role	**Chairman**	**Member**
Main Board	$55,000	$50,000
Audit Committee	$35,000	$17,000
Nominating Committee	$14,000	$8,500
Remuneration Committee	$14,000	$8,500
Lead Independent Director	$17,000	

Report on Corporate Governance (continued)

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The following table shows the Directors' and CEO's remuneration for FY2024:

Name	Cash based				Share based	Total
	Directors' Fees	Base/ Fixed Salary[(1)]	Variable/ Bonuses[(1)]	Benefits/ Allowances	Share Award	
Executive Directors						
Ng Bee Bee [(2)]	–	$384,480	$304,092	$33,600	–	$722,172
Patrick Ng Bee Soon	–	$189,384	–	–	–	$189,384
Non-Executive Directors						
Soh Ee Beng [(3)]	$104,555	–	–	–	$13,050	$117,605
Fong Yue Kwong [(4)]	$86,341	–	–	–	$13,050	$99,391
Chan Wan Hong [(5)]	$35,068	–	–	–	–	$35,068
Tay Siew Choon [(6)]	$43,475	–	–	–	$13,050	$56,525
Jane Kimberly Ng Bee Kiok [(7)]	$24,135	–	–	–	–	$24,135

(1) The fixed salary and variable bonuses include the employer's central provident fund contributions.
(2) Appointed as Board Executive Chairman, EXCO Chairman and ceased as CEO on 15 July 2024.
(3) Appointed as NC Chairman on 15 July 2024.
(4) Appointed as NC Member on 25 March 2024, redesignated as Lead Independent Director and appointed as AC Member on 15 July 2024.
(5) Appointed as Independent Director, AC Member and RC Member on 15 July 2024.
(6) Retired as Board Chairman/Independent Director, ceased as EXCO and NC Chairman and AC Member on 26 April 2024.
(7) Retired as Non-Executive Director and ceased as AC Member and RC Member on 26 April 2024.

The following table shows the CEO's remuneration for FY2024.

Name	Base/Fixed Salary[(1)]	Variable/Bonuses[(1)]	Benefits/Allowances	Total Cash benefits
Ken Loh Kah Soon[(2)]	$301,145	$357,329	$16,696	$675,170

(1) The fixed salary and variable bonuses include the employer's central provident fund contributions.
(2) Pro-rated. Appointed as CEO on 15 July 2024.

The share awards granted under the PUC Share Plan to the CEO are as follows:

Date granted	Vesting period	No. of shares granted	Vested and released	
			No. of shares	Date
13/02/2023	13/02/2024 – 13/02/2026	63,000 shares (fair value per share: $0.369)	18,900 18,900	16/02/2024 18/02/2025
04/03/2024	13/02/205 – 13/02/2027	80,000 shares (fair value per share: $0.376)	24,000	18/02/2025

Save as disclosed above, the Directors and CEO are not paid any other fees, allowances and benefits.

Given the sensitivity and confidentiality of remuneration matters and the highly competitive industry conditions of the Group's operations, the Company believes that the disclosure of the names, amount and breakdown of remuneration of the top five key management personnel as recommended by the Code would be disadvantageous to the Group's interests. In aggregate, the total remuneration paid to these key management personnel was $3.3 million. Based on the reasons provided, the Company wishes to continue with its current practices for the disclosure of such remuneration. The Company is of the view that the practices the Company has adopted and disclosed in this report are consistent with the intent of Principle 8 of the Code.

Except for Ms Ng Bee Bee (Executive Chairman), Mr Patrick Ng Bee Soon (Deputy Chairman, Executive Director) and Ms Jane Kimberly Ng Bee Kiok (Non-Executive Director, retired on 26 April 2024), whose remunerations have been disclosed on page 36, there is no other employee of the Group who is a substantial shareholder of the Company or an immediate family member of the CEO, a director or a substantial shareholder who was paid remuneration that exceeded $100,000 for FY2024.

The RC also reviews the Company's obligations arising in the event of termination of any executive director's and key management personnel's contract of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. There is no contractual provision in the service contracts of executive directors and key management personnel to allow the Company to reclaim incentive components from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Company.

Pan-United Share Option Scheme

Pan-United Share Option Scheme (Scheme 2002) had expired on 18 April 2022. Under the rules of Scheme 2002, the expiry of Scheme 2002 does not affect any options which have been granted, whether such options have been exercised (whether fully or partially) or not. Details of the outstanding share options which were granted pursuant to the Scheme 2002 are set out in the Directors' Statement on page 53 of the Annual Report.

PUC Share Plan

The Company has adopted the PUC Share Plan (Plan 2022) at its Annual General Meeting held on 22 April 2022 to replace the Pan-United Share Option Scheme following its expiry on 18 April 2022. Plan 2022 is administered by RC and it is the only share incentive plan of the Company in force.

Plan 2022 aims to give recognition to, motivate and retain outstanding Group employees, Non-Executive Directors, or Associated Company employees who can contribute and/or have contributed to the growth of the Group.

In respect of the eligible Non-Executive Directors who are Independent Directors of the Company, the Company does not expect the award of shares to such Directors to compromise their independence as the total number of shares awarded to them is not expected to be significant and will not, in aggregate, amount to a significant proportion of the shares that may be issued pursuant to the Plan 2022.

On 4 March 2024, the Company awarded 606,000 ordinary shares in the Company to eligible employees pursuant to Plan 2022, to be vested over three years. On 26 April 2024, the Company awarded 90,000 ordinary shares in the Company, pursuant to Plan 2022, to eligible Non-Executive Directors after the shareholders' approval during the Company's AGM held on 26 April 2024 and the shares were vested immediately. No shares were awarded to Controlling Shareholders (and their associates) of the Company.

In accordance with Rule 704(29) of the Listing Rules, the necessary SGXNET announcements of the aforesaid shares awarded in 2024 were made on 4 March 2024 and 26 April 2024 respectively.

Details of the share awards granted pursuant to Plan 2022 are set out in the Directors' Statement on page 54 of the Annual Report.

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Report on Corporate Governance (continued)

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Risk Management and Internal Controls

The Board has overall responsibility for the governance of risk and exercises oversight of all the material risks in the Group's business.

The Audit Committee (AC) assists the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Group has adopted an Enterprise Risk Management (ERM) Policy Manual which provides a framework for identification and management of significant risks to enhance its risk management capabilities. Key business risks are proactively identified, assessed, managed, reviewed and reported to the AC on a regular basis.

Notwithstanding the delegation of authority to the AC, the Board continues to retain oversight over the ERM framework, and continues to work with the AC on the determination of the levels of risk tolerance and risk policies for the Group, and the oversight of Management in the design, implementation and monitoring of the adequacy and effectiveness of risk management and internal control systems. The Board has formalised the Group Risk Appetite framework to promote broader risk awareness and reinforce the desired risk culture across the Group.

In assessing the adequacy and effectiveness of the Group's internal control and risk management systems, the AC, under the general direction of the Board, oversees Management in putting in place appropriate policies and measures to prevent or detect fraud or errors in financial and accounting records, ensure the accuracy and completeness of financial and accounting records, ensure financial information is prepared and presented in compliance with applicable laws, regulations and internal policies, and ensure that material assets are properly safeguarded.

The Group's internal and external auditors conduct periodic and annual reviews on the adequacy and effectiveness of the Group's internal controls, including but not limited to financial, operational, compliance and information technology controls, and risk management systems. Any material non-compliance or significant weaknesses in internal controls identified are promptly brought to the attention of the AC and to senior Management for remedial actions. The AC subsequently reviews the effectiveness of the actions taken and provides updates to the Board accordingly.

Management provides the Board with management accounts and other relevant information on a timely basis to enable the Board to make a balanced and understandable assessment of the Group's performance, position and prospects.

The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)). The Board complies with the relevant rules of the Listing Manual with the prompt announcements of its half year and full year unaudited financial results and other price-sensitive information via SGXNET.

The AC and the Board have received a written assurance from the CEO and the Group Head, Corporate Development, who is holding the role of Chief Financial Officer, that for FY2024, the relevant financial records of the Group have been properly maintained and the financial statements of the Group, prepared in accordance with SFRS(I), presented a true and fair view of the state of affairs of the Group's operations and finances and the Group's risk management and internal control systems, including but not limited to financial, operational, compliance and information technology controls, in place were adequate and effective and also provided a reasonable assurance that assets were safeguarded against unauthorised loss or disposition.

Based on the systems of risk management and internal controls established and maintained by the Group, works performed and reports by the internal and external auditors and the above written assurance, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls systems, including the financial, operational, compliance and information technology risk management, are effective and also adequate.

The Board and the Audit Committee are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Company will inform shareholders on any sanction-related risks on the Company, the impact of such risk on the financials and operations of the Group, if any, and also the cessation of sanctions-related risk via announcement to SGXNET.

The Board takes the view that the systems of risk management and internal controls provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board is aware that the risk landscape applicable to the Group and its businesses is constantly evolving, for which the risk management and internal controls may need to be adjusted accordingly from time to time, and that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, fraud and other irregularities.

Key Risks facing the Group

The Group is vulnerable to a number of risks applicable to the industries and the areas in which it operates. The Group's approach to financial risk management is listed on page 98 to page 101 of the Annual Report. The following are some of the other key risks which could materially and adversely affect the Group's businesses, financial conditions or results of operations.

Business risk

Concrete & Cement

The Concrete and Cement (C&C) division is exposed to changes in demand and selling prices of basic building materials, mainly for the construction industry. On the supply side, it is exposed to any disruption to raw material supplies and increases in raw material prices. The C&C division responds to the risks by managing its operational costs and having diversified sources of raw materials.

Trading

The Trading division is exposed to changes in demand for products and is also subjected to the risk of product quality. To help manage these risks, the division maintains good working relationships with product suppliers and customers and adopt a lean cost structure through cost and credit management measures.

Operational risk

Operational risk refers to potential loss resulting from a breakdown of internal processes, deficiencies in people and management or operational failure arising from external events. The operational risk management process instituted in the Group is to minimise unexpected losses and manage expected losses. This process is supported by a team of experienced management staff and key personnel who plays a critical role in enhancing the Group's operational risk management process.

Investment risk

The Group expands its business through organic growth of its core businesses and acquisitions of business entities. Investment activities are evaluated through the performance of due diligence exercises. All new business proposals are reviewed by the Group's senior Management and executive directors before obtaining the Board's approval.

Information technology and cyber security risk

The Group has implemented information technology (IT) management controls and leading practice security controls, so as to ensure an appropriate level of security awareness at all times by users of the Group's IT systems. The Group has implemented controls and mitigations to manage the risk associated with the use of our technology assets. Due to the dynamic and complex nature of cyber security management, we have formed close partnerships with our vendors to detect and stay ahead of cyber threats. The Group continues to have regular engagement with all employees on cybersecurity matters to help maintain awareness.

The Group has put in place appropriate policies and controls to manage the risk of data privacy breaches.

Sanctions-related risk

The Group may be, or may become exposed to various sanctions-related risks through various means such as sanctions-related law or regulation. While there has been no material change in the risk of the Group being subject to any sanction laws, the Group continues to monitor developments associated with sanction laws.

Report on Corporate Governance (continued)

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee (AC) comprises three members who are all non-executive independent directors, namely:

i Soh Ee Beng – Chairman
ii Fong Yue Kwong (Appointed as AC Member on 15 July 2024)
iii Chan Wan Hong (Appointed as AC Member on 15 July 2024)

The Board is of the view that the AC members, having recent and relevant accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. None of the members of the AC is a former partner or director of the Company's external auditor, Ernst & Young LLP, within the past two years, or has any financial interest in the audit firm.

The AC meets at least two times a year. The AC performs the functions as set out in the Code including the following:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the adequacy and effectiveness of the Group's systems of accounting, internal controls and risk management;
- review, on an annual basis, the independence of the internal and external auditors and makes recommendation to the Board on the remuneration, terms of engagement and nomination of the external auditor;
- review the overall adequacy, effectiveness, independence, scope and results of both internal and external audits, and the assistance given by Management to the auditors;
- review the Company's whistle-blowing policy and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up actions to be taken;
- oversee the quality and integrity of the accounting, auditing, internal controls, financial practices of the Group, and its exposure to risks of a regulatory, legal or business nature;
- review the Group's programme to monitor compliance with its legal, regulatory and contractual obligations;
- review the half year and full year financial results of the Group and related SGX announcements;
- review the internal and external auditors' reports; and
- meet with the internal and external auditors annually, without the presence of Management, to discuss the results of their respective audit findings and their evaluation of the Group's systems of accounting, internal controls and risk management.

Since FY2014, the AC, with the approval of the Board, assumed the function of the Board Risk Committee to oversee the Group's enterprise risk management framework and policies.

The AC is empowered to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention, with full access to records, resources and personnel, to enable it to discharge its functions properly. It has full access to and co-operation of Management, and the internal auditor, and has full discretion to invite any director or executive officer to attend its meetings.

During the year, the key activities of the AC included the following:

- reviewed and recommended to the Board the half year and full year financial results related SGX announcements;
- reviewed and evaluated with internal and external auditors, the adequacy and effectiveness of internal controls systems, including financial, operational, compliance and information technology controls;
- reviewed and approved the internal and external audit plans to ensure the adequacy of the audit scope;
- reviewed with internal auditor the audit reports and their recommendations and timely implementation of any improvement measures;
- reviewed the independence, adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;
- reviewed with external auditor the key areas of audit emphasis, periodic updates on changes in accounting standards and treatment, independence, fraud considerations and summary of audit differences;
- reviewed the enterprise risk management reports, its mitigation factors and updates;
- reviewed whistle-blowing investigations and ensuring appropriate follow-up actions, if required, including clearly communicating to the employees, the existence of the whistle-blowing policy and procedures for raising such concerns;
- reviewed Interested Person Transaction under Chapter 9 of SGX Listing Manual;
- reviewed and recommended to the Board the proposed dividends for financial year ended 31 December 2024;
- reviewed the assurance from the CEO and Group Head, Corporate Development on the financial records and financial statements;
- met with external and internal auditors without the presence of Management;
- reviewed and recommended the re-appointment, remuneration and terms of engagement of external auditor and was satisfied with the audit fees paid to the auditor for financial year ended 31 December 2024; and
- reviewed the non-audit fees of the external auditor and was satisfied with the non-audit fees paid to the auditor.

In the review of the financial statements for FY2024, the AC has discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with Management and the external auditor of the Company and was reviewed by the AC:

Significant matter	AC's commentary
Impairment assessment of trade receivables	The AC considered the approach and methodology used by Management in the evaluation of the Group's trade receivables for impairment, including judgement in estimating the expected credit loss. The AC was satisfied that the approach and methodology used by Management were appropriate. The impairment assessment of trade receivables was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in the Auditor's Report on page 55.

External Audit

The AC has conducted a review of the non-audit services provided by the external auditor, Ernst & Young LLP (EY), and is satisfied that the independence of EY is not affected by such non-audit services. The aggregate amount of audit services and non-audit services payable to EY for FY2024 is disclosed in note 5c to the financial statements on page 78 of the Annual Report.

EY has served as the external auditor of the Company for 33 years, since 1992. As part of the Company's ongoing good corporate governance initiatives, the directors are of the view that it is an appropriate time to review the appointment of external auditor.

Deloitte & Touche LLP (Deloitte) was selected for the proposed appointment after the AC invited and evaluated competitive proposals from various audit firms. The AC reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration the audit quality indicators listed in the Audit Quality Indicators Disclosure Framework introduced by ACRA and factors such as the adequacy of the resources and experience of the audit firm to be selected, including the number, composition and experience of supervisory and professional staff to be assigned to the audit of the Company, the size and complexity of the Company and the experience of the incoming audit partner-in-charge.

In selecting Deloitte as the proposed new auditor, the Company has also considered the international network and resources, recognition and global presence of Deloitte, their audit approach and methodology, as well as their internal governance processes, key personnel and fees.

Following the review, the AC and Board are of the opinion that Deloitte will be able to meet the audit requirements of the Company and Rules 712 and 715 of the Listing Manual will be complied with.

The appointment of Deloitte & Touche LLP will be effective upon obtaining the approval of shareholders at the forthcoming Annual General Meeting (AGM). EY will therefore cease to be the auditor of the Company with effect from the conclusion of the AGM.

Internal Audit

PricewaterhouseCoopers LLP (PwC), a reputable firm of international public accountants, has been appointed as internal auditor (IA) of the Group since September 2010. Given its pool of specialists in IT, risk management, sustainability and internal controls, the AC is satisfied that the IA is independent, effective and adequately staffed with persons of the relevant qualification and experience.

The IA's primary reporting line is to the AC Chairman directly although the IA also reports administratively to the CEO. The IA reports their findings and recommendations directly to the AC. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

Under its terms of reference, the AC reviews and approves the internal audit plan. The AC also reviews the independence, adequacy and effectiveness of the internal audit function. The AC has re-appointed PwC as the Group's IA for FY2025.

Whistle-Blowing Policy

The Company has in place a whistle-blowing policy which provides a channel for employees and other persons to raise their concerns in confidence directly to the AC Chairman on possible improprieties, misconduct or wrongdoings concerning financial reporting or other matters. This policy is under the direct supervision and oversight of the AC, led by the AC Chairman. The AC will treat all information received confidentially and protect the identity of all whistle-blowers, unless as required by the law to reveal to parties such as law enforcement officers or investigators. The AC is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith. Details of this policy and the procedures for raising concerns have been disseminated and made available to all employees. This policy is also available on the Company's employee intranet.

All whistle-blowing complaints, if any, will be independently investigated and appropriate remedial actions will be taken promptly. The AC, which is responsible for the overseeing and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out. The AC is satisfied that arrangements are in place for independent investigation and appropriate action. During FY2024, there were no whistle-blowing incidents received.

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Report on Corporate Governance (continued)

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

Principle 11: The Company treats all shareholders fairly and equitably, in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET.

At the Company's general meetings, shareholders are given the opportunity to express their views and ask questions regarding the Group's financial statements and its businesses. All the directors attend the Company's general meetings. The Chairman of respective Board Committees is present and available to address questions at these meetings. The external auditor is also present to assist the directors in addressing any relevant queries by shareholders.

Shareholders are also informed of rules, including voting procedures that govern the general meetings.

All resolutions put to every general meeting of the Company are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal.

The Company put all resolutions to vote by electronic poll at the general meetings. An independent scrutineer is appointed to count and validate the votes cast at the meetings. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Detailed results showing the number of votes cast for and against each resolution and the respective percentage will be displayed live-on-screen to shareholders/proxies immediately after each poll is conducted. The shareholders are briefed on the voting procedures and how to vote for and against each resolution using the electronic hand-held device. After the Company's general meetings, the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET.

The Constitution of the Company allows for shareholders who are not relevant intermediaries to appoint up to two proxies to attend, speak and vote at general meetings on their behalf. In the case of shareholders who are relevant intermediaries, more than two proxies each may be appointed. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings. The Company is not implementing absentia voting methods, such as voting by mail, email, fax, etc., until the security and integrity issues are satisfactorily resolved.

The Annual General Meeting (AGM) 2024 was convened and held in a wholly physical format on 26 April 2024.

The forthcoming AGM 2025 will also be convened and held in a wholly physical format on 24 April 2025. Shareholders are invited to participate at our AGM 2025. Details of the AGM 2025 are set out in a separate announcement released on SGXNET on 8 April 2025.

The company secretary prepares minutes of general meetings, which incorporate substantial comments or queries and questions from shareholders and responses from the Board and Management, where relevant. The minutes are published on its corporate website. The Company published the minutes of its AGM held on 26 April 2024 on SGXNET within one month after the AGM.

The Company has a dividend policy in place, which is to distribute, subject to projected funds requirements, not less than one third of its annual attributable profits to our shareholders as dividends. Any payouts are clearly communicated to shareholders via announcements on SGXNET when the Company discloses its financial results.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company does not practise selective disclosure. Price-sensitive announcements and financial results announcements are released via SGXNET and posted on the Company's website immediately thereafter. Shareholders are encouraged to sign up for the Email Alerts at the Company's corporate website, www.panunited.com.sg, to receive the Company's SGXNET announcements automatically via email.

The Company conducts investor relations sessions to maintain regular dialogues with shareholders as well as to solicit and understand the views of shareholders. The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders. The investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The annual reports, sustainability reports and other communications to the shareholders, such as Notices of Annual General Meeting, Letters to Shareholders, Circulars and Proxy Forms, are published on the Company's corporate website and also made available on the SGX website.

Report on Corporate Governance (continued)

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Board adopts a balanced approach towards the needs and interests of key stakeholders to ensure that the business interests are aligned with those of the stakeholders, to understand and address concerns so as to improve services and products' standards and to sustain long-term growth and relationships.

The stakeholders are identified by assessing their reliance on, involvement with, and influence on our business. Five stakeholders groups, namely customers, investors/shareholders, employees, regulators/governments and suppliers/sub-contractors have been identified. The table below shows the key areas of focus and our strategy in relation to the management of stakeholder relationships during the year.

Stakeholders	Interests/key concerns of Stakeholders	Commitment to our Stakeholders	Engagement channel	Frequency
Customers	• Product quality and safety • Customer satisfaction • Research & Development (R&D) collaborations	• Keep up with changing customer demands and ensure the highest level of customer service	• Customer feedback • Meetings	• Ongoing
Investors/ Shareholders	• Group financial performance • Group sustainability performance • Dividend payouts • Any matters affecting the Group	• Provide semi-annual announcements and investor-related information on the company website • Annual Report, Sustainability Report and other communications such as notices and letters to shareholders, and Proxy Forms on the company website • Shareholder participation at general meetings	• Annual General Meeting • Annual Report • Sustainability Report • Extraordinary General Meeting • SGX announcements • Corporate website and social media • Email alerts	• Annual • Ad-hoc • Ongoing
Employees	• Workplace health and safety • Employee's welfare • Training and career development	• Employee health screening and wellness talks • Employee training and development • Flexible working arrangements	• Annual Dinner • Staff meetings and discussions • Training programmes • Internal emails • Employee intranet	• Annual • Ad-hoc • Ongoing
Regulators/ Government	• Regulatory compliance • Environmental compliance • Labour standard compliance • SGX listing requirements	• Collaboration and knowledge sharing	• Regular meetings • On-site visits • Government publications	• Ongoing
Suppliers/ Sub-contractors	• Product quality and delivery schedules • Health and safety	• Regular engagement to exchange feedback and areas of concern	• Meetings • Emails	• Ongoing

The Company maintains a current corporate website, www.panunited.com.sg, to communicate and engage with its stakeholders. The comprehensive website, which is updated regularly, contains various information on the Group which serves as an important resource for investors and all stakeholders. It has a dedicated "Investors" link which features the latest and past annual reports, sustainability reports, announcements, latest AGM notice and proxy form.

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OTHER CORPORATE GOVERNANACE MATTERS

Listing Rule 1207(19) - Dealings in Securities

The Company has implemented a policy which prohibits key executives of the Group and directors of the Company from dealing in the Company's shares for short-term considerations as well as during the period commencing one month before the announcement of the Company's half year and full year financial results. In addition, directors and employees are made aware that insider trading laws are applicable at all times. The Company issues semi-annual reminders to its directors, relevant officers and employees on the restrictions in dealings in the Company's shares as set out above, in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

Material contracts

There were no material contracts of the Company or its subsidiaries, involving the interests of any director or controlling shareholder, entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis. Currently, there is no shareholders' mandate for interested person transaction pursuant to Rule 920 of the Listing Manual of the SGX-ST.

There were no material interested person transactions as defined in Chapter 9 of the SGX Listing Manual, entered into by the Company or the Group during FY2024. The disclosure under Rule 907 of the Listing Manual of the SGX-ST is not applicable:

Name of interested person	Nature of relationship	Aggregate value of all IPT during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Not applicable	Nil	Nil	Nil

On behalf of the Board of Directors,

Ng Bee Bee
Executive Chairman

Patrick Ng Bee Soon
Deputy Chairman

Singapore
1 April 2025

Report on Corporate Governance (continued)

THE INFORMATION REQUIRED UNDER RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING MANUAL IN RESPECT OF DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING ON 24 APRIL 2025 IS SET OUT BELOW

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
Date of Appointment	15 July 2024	31 January 2004	17 December 2018
Date of last re-appointment	N.A.	22 April 2022	22 April 2022
Age	51	57	56
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	N.A.	N.A.	N.A.
Whether appointment is executive, and if so, the area of responsibility	No	Yes Ms Ng Bee Bee is responsible for providing leadership and working with the Board to set the strategies for the direction and development of the Group.	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Audit Committee Member Remuneration Committee Member	Executive Chairman Executive Committee Chairman	Independent Director Audit Committee Chairman Nominating Committee Chairman Remuneration Committee Member
Professional qualifications	Bachelor of Laws from National University of Singapore Advocate and Solicitor, Singapore Member, Law Society of Singapore Member, Singapore Academy of Law	Bachelor of Arts Honours degree	Bachelor of Accountancy degree with First Class Honours
Working experience and occupation(s) during the past 10 years	2024 – current Independent Non-Executive Director of Centurion Corporation Limited 2024 – current Independent Director of Multi-Chem Limited 2024 – current Independent Director of Pan-United Corporation Ltd 2022 – current Senior Director of FC Legal Asia LLC	2024 – current Executive Chairman of Pan-United Corporation Ltd (the Company) 2004 – current Executive Director of the Company 2011 – 2024 Chief Executive Officer of the Company	2024 – current Executive Director of UOB Kay Hian Private Limited 2024 – current Independent Director of Cortina Holdings Limited 2018 – current Independent Director of Pan-United Corporation Ltd 2022 - 2024 Senior Advisor of Houlihan Lokey

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
Working experience and occupation(s) during the past 10 years	2019 – 2022 Director of Atlas Asia Law Corporation 2011 – 2019 Partner/Senior Partner of Dentons Rodyk LLP (formerly Rodyk & Davidson LLP)		2017 – 2020 Independent Director of Xinghua Port Holdings Ltd 2013 – 2018 Managing Director and Head of Advisory for South East Asia at The Hongkong and Shanghai Banking Corporation Ltd
Shareholding interest in the listed issuer and its subsidiaries	Nil	Ms Ng Bee Bee has deemed interests of 408,375,002 shareholdings in the Company, comprising shares in the joint names of Mr Ng Han Whatt, Ms Jane Kimberly Ng Bee Kiok and Ms Ng Bee Bee (398,250,000 shares) and shares held by her nominees (10,125,002 shares).	Mr Soh Ee Beng has a direct interest of 210,000 shareholdings in the Company.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Ms Ng Bee Bee is the sister of : Mr Ng Han Whatt (substantial shareholder), Mr Patrick Ng Bee Soon (Deputy Chairman and substantial shareholder) and Ms Jane Kimberly Ng Bee Kiok (Substantial shareholder). She is also a substantial shareholder of the Company.	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	Atlas Asia Law Corporation Ernst & Young Solutions LLP	Mercatus Co-operative Ltd	Xinghua Port Holdings Ltd
Present	Centurion Corporation Limited Multi-Chem Limited FC Legal Asia LLC	Blue Marble Sustainability Technologies Pte Ltd FICO Pan-United Concrete Joint Stock Company Fortis Star Sdn Bhd GoTruck Pte Ltd GoTruck Holdings Pte Ltd	Cortina Holdings Limited UOB Kay Hian Private Limited

Report on Corporate Governance (continued)

THE INFORMATION REQUIRED UNDER RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING MANUAL IN RESPECT OF DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING ON 24 APRIL 2025 IS SET OUT BELOW (continued)

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
Present (continued)		Meridian Maplestar Sdn Bhd PanU Harmony Pte Ltd Pan-United Concrete Pte Ltd Pan-United Industries Pte Ltd Pan-United Technologies Pte Ltd Raffles Cement Pte Ltd Raffles Concrete Pte Ltd United Bulk Shipping Pte Ltd United Cement Pte Ltd Singapore Technologies Engineering Ltd NTUC Enterprise Co-operative Ltd	
Information required pursuant to Listing Rule 704(7)			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Report on Corporate Governance (continued)

THE INFORMATION REQUIRED UNDER RULE 720(6) AND APPENDIX 7.4.1 OF THE SGX-ST LISTING MANUAL IN RESPECT OF DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING ON 24 APRIL 2025 IS SET OUT BELOW (continued)

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	Mr Soh Ee Beng was the Independent Non-Executive Director of Xinghua Port Holdings Ltd (XPH), a company then listed on the Main Board of The Stock Exchange of Hong Kong Limited, but was subsequently delisted on 20 November 2020. In November 2018, one of XPH's subsidiaries, which was incorporated in the People's Republic of China, was fined for a breach of safety regulations. The investigations involved and the penalty imposed were related to that subsidiary and certain employees but not imposed on Mr Soh.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Name of Director	Chan Wan Hong	Ng Bee Bee	Soh Ee Beng
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Pan-United Corporation Ltd (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

1. Opinion of the Directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Board of Directors

The directors of the Company in office at the date of this statement are:

Ng Bee Bee – Executive Chairman
Patrick Ng Bee Soon – Deputy Chairman, Executive Director
Fong Yue Kwong – Lead Independent Director
Soh Ee Beng – Independent Director
Chan Wan Hong – Independent Director (Appointed on 15 July 2024)

3. Arrangements to Enable Directors to Acquire Shares and Debentures

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' Interests in Shares and Debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company Pan-United Corporation Ltd (ordinary shares)				
Ng Bee Bee	–	–	408,375,002*	408,375,002*
Patrick Ng Bee Soon	34,962,037	34,962,037	135,000	135,000
Fong Yue Kwong	180,000	210,000	–	–
Soh Ee Beng	180,000	210,000	–	–
(options to subscribe for ordinary shares)				
Soh Ee Beng	150,000	150,000	–	–

* These include 398,250,000 ordinary shares held as joint shareholders.

By virtue of Section 7 of the Singapore Companies Act 1967, Ms Ng Bee Bee is deemed to have an interest in the shares of the subsidiaries of the Company to the extent that the Company has interest.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2025.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Options

The Pan-United Share Option Scheme (Scheme 2002) had expired on 18 April 2022. Under the rules of Scheme 2002, the expiry of Scheme 2002 does not, however, offset any options which have been granted, whether such options have been exercised (fully or partially) or not.

Under the Scheme 2002, the options granted prior to its expiry date and outstanding as at 31 December 2024 are as follows:

Date granted	Exercise price/ Adjusted exercise price*	Exercise period	Number of share options at 31 December 2024
19/11/2015	$0.55/0.35	19/11/2016 - 18/11/2025	272,300
11/11/2016	$0.55/0.35	11/11/2017 - 10/11/2026	513,600
08/12/2017	$0.55/0.35	08/12/2018 - 07/12/2027	610,000
16/11/2018	$0.27	16/11/2019 - 15/11/2028	185,000
19/11/2019	$0.345	19/11/2020 - 18/11/2029	540,000
10/11/2020	$0.28	10/11/2021 - 09/11/2030	510,000
18/11/2021	$0.31	18/11/2022 - 17/11/2026	150,000
18/11/2021	$0.31	18/11/2022 - 17/11/2031	796,000
			3,576,900

* The adjustments have been made in accordance with the rules of the Scheme 2002 in conjunction with the discontinued operations of the Port business, under Xinghua Port Holdings Ltd (Xinghua), which was de-merged on 7 February 2018, as a separate entity through a capital reduction of the Company and a distribution in specie of all the shares in Xinghua, held by the Company, to its shareholders.

Details of aggregate options granted and exercised under Scheme 2002 for directors of the Company prior to the expiry date are as follows:

Name of director	Aggregate options granted since commencement to the expiry of Scheme 2002	Aggregate options exercised since commencement of Scheme 2002 to the end of financial year	Aggregate options outstanding as at the end of financial year
Soh Ee Beng	300,000	(150,000)	150,000
Fong Yue Kwong	150,000	(150,000)	–
	450,000	(300,000)	150,000

Further to the expiry of the Scheme 2002 on 18 April 2022, the Company proposed the adoption of the PUC Share Plan (Plan 2022), which was approved by the shareholders of the Company during the Annual General Meeting (AGM) held on 22 April 2022.

Directors' Statement (continued)

6. Share Plan

During the financial year ended 31 December 2024, the Company has granted 606,000 share awards to certain employees of the Group, to be vested over 3 years. The Company granted 90,000 share awards to non-executive directors of the Company after shareholders approved at the AGM on 26 April 2024 and the shares were vested and released immediately.

Pursuant to Rule 852 of the Listing Manual of Singapore Exchange Securities Trading Limited, during the financial year:

(i) the Plan 2022 is administered by the Remuneration Committee, comprising three directors, Mr Fong Yue Kwong (Chairman), Mr Soh Ee Beng and Mr Chan Wan Hong; and

(ii) no share awards have been granted to controlling shareholders or their associates.

Under the Plan 2022, the share awards granted and outstanding as at 31 December 2024 are as follows:

Date granted	Vesting period	Share awards granted	Share awards vested and released	Number of share awards at 31 December 2024
13/02/2023	13/02/2024 – 13/02/2026	568,000	(170,400)	397,600
04/03/2024	13/02/2025 – 13/02/2027	606,000	–	606,000
26/04/2024	Immediately	90,000	(90,000)	–
		1,264,000	(260,400)	1,003,600

No director is involved in discussions or decisions in respect of any remuneration, share awards or any form of benefits to be granted to him/her.

Details of share awards granted and vested under Plan 2022 for directors of the Company are as follows:

Name of director	Share awards granted since commencement of Plan 2022 to the end of financial year	Share awards vested since commencement of Plan 2022 to the end of financial year	Share awards outstanding as at the end of financial year
Soh Ee Beng	60,000	(60,000)	–
Fong Yue Kwong	60,000	(60,000)	–
	120,000	(120,000)	–

7. Audit Committee

The Audit Committee (AC) carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance.

The AC has recommended to the Board of Directors the appointment of Deloitte & Touche LLP as the external auditor for the financial year ending 31 December 2025, replacing the retiring auditors, Ernst & Young LLP, at the forthcoming Annual General Meeting of the Company.

8. Auditor

Ernst & Young LLP have expressed that they will not seek re-appointment as auditor of the Company at the forthcoming Annual General Meeting of the Company.

On behalf of the Board of Directors,

Ng Bee Bee
Executive Chairman

Patrick Ng Bee Soon
Deputy Chairman

Singapore
1 April 2025

Independent Auditor's Report

For the Financial Year ended 31 December 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pan-United Corporation Ltd (the Company) and its subsidiaries (collectively, the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment Assessment of Trade Receivables

As at 31 December 2024, gross trade receivables of the Group and allowance for expected credit losses (ECL) amounted to $168.2 million and $2.8 million respectively. Trade receivables were significant to the Group as they represented 33% of the Group's total assets. 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. The Group's process to measure loss allowance involves the use of significant management's estimates and assumptions about the risk of default and expected loss rates, which is based on the Group's historical credit loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. In addition, there was an increase in the level of estimation uncertainty in determining the key assumptions arising from the rapid changes in market and economic conditions. Accordingly, we identified this as a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and related controls on the monitoring of the collectability of trade receivables as well as considering the impact of volatile market and economic conditions on the ageing profile of outstanding trade receivables. We requested trade receivable confirmations from major debtors and assessed their collectability by evaluating receipts after year-end. We also assessed management's determination of the expected impairment loss for overdue trade receivables through analysis of the ageing of outstanding receivables and assessment of significant overdue individual trade receivables and specific customer profile and risks.

We assessed the Group's provisioning policy, which includes testing whether the ECL provision is in accordance with *SFRS(I) 9 Financial Instruments* by comparing against historical collection data and forward-looking information. We inquired and obtained explanations from management of the adjustments made to the key assumptions in response to the heightened level of estimation uncertainty.

We assessed the adequacy of the disclosures on the Group's trade receivables and its credit risk management process in Notes 17 and 33c to the financial statements.

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Independent Auditor's Report (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Beng Lee, Ken.

Ernst & Young LLP
Public Accountants and Chartered Accountants

Singapore
1 April 2025

Consolidated Income Statement

For the Financial Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Continuing operations			
Revenue	4	**812,297**	774,138
Other income	5a	**3,651**	3,108
Raw materials, subcontract costs and other direct costs		**(636,540)**	(613,142)
Staff costs	6	**(58,031)**	(57,467)
Depreciation and amortisation expenses	5b	**(24,190)**	(22,703)
Impairment loss on financial assets	17	**(738)**	(909)
Other expenses	5c	**(44,127)**	(37,046)
Finance costs	7	**(3,447)**	(3,413)
Share of results of associate		**2,456**	2,765
Profit before tax from continuing operations		**51,331**	45,331
Income tax expense	8	**(10,151)**	(9,653)
Profit from continuing operations, net of tax		**41,180**	35,678
Discontinued operation			
Loss from discontinued operation, net of tax	9	**–**	(1,147)
Profit for the year, net of tax		**41,180**	34,531
Attributable to			
Equity holders of the Company			
Profit from continuing operations, net of tax		**40,855**	35,617
Loss from discontinued operation, net of tax		**–**	(1,320)
Profit for the year attributable to equity holders of the Company		**40,855**	34,297
Non-controlling interests			
Profit from continuing operations, net of tax		**325**	61
Profit from discontinued operation, net of tax		**–**	173
Profit for the year attributable to non-controlling interests		**325**	234
Profit for the year, net of tax		**41,180**	34,531
Earnings per share for the year from continuing operations attributable to equity holders of the Company (cents per share)			
Basic	10	**5.85**	5.12
Diluted	10	**5.84**	5.11
Earnings per share for the year (cents per share)			
Basic	10	**5.85**	4.93
Diluted	10	**5.84**	4.92

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Consolidated Statement Of Comprehensive Income

For the Financial Year ended 31 December 2024

	2024 $'000	2023 $'000
Profit for the year, net of tax	**41,180**	34,531
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	**4,350**	(2,911)
Realisation of reserves to income statement on disposal and liquidation of subsidiaries	**(56)**	2,014
Items that will not be reclassified to profit or loss		
Fair value changes of derivatives	**4,988**	695
Other comprehensive income for the year, net of tax	**9,282**	(202)
Total comprehensive income for the year	**50,462**	34,329
Attributable to		
Equity holders of the Company	**50,168**	34,230
Non-controlling interests	**294**	99
Total comprehensive income for the year	**50,462**	34,329
Attributable to equity holders of the Company		
Total comprehensive income from continuing operations, net of tax	**50,168**	33,401
Total comprehensive income from discontinued operation, net of tax	**–**	829
Total comprehensive income for the year attributable to equity holders of the Company	**50,168**	34,230

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2024

		Group	
	Note	**2024 $'000**	2023 $'000
Non-current assets			
Property, plant and equipment	11	**172,322**	163,538
Intangible assets	13	**6,879**	7,338
Associate	15	**3,952**	5,429
Trade and other receivables	17	**121**	773
Deferred tax assets	25	**2,243**	800
		185,517	177,878
Current assets			
Inventories	16	**25,464**	18,882
Prepayments		**2,747**	1,985
Trade and other receivables	17	**169,309**	183,283
Other assets	18	**6,014**	7,481
Derivatives	26	**3,687**	–
Cash and cash equivalents	19	**107,011**	64,373
		314,232	276,004
Current liabilities			
Loans and borrowings	20	**13,354**	12,052
Lease liabilities	21	**7,262**	5,454
Payables and accruals	22	**146,125**	134,263
Deferred income	23	**1,113**	685
Provisions	24	**2,078**	1,855
Income tax payable		**11,000**	10,446
Derivatives	26	**–**	1,301
		180,932	166,056
Net current assets		**133,300**	109,948
Non-current liabilities			
Loans and borrowings	20	**2,047**	9,214
Lease liabilities	21	**33,428**	30,453
Deferred tax liabilities	25	**7,829**	5,827
Provisions	24	**4,595**	4,769
		47,899	50,263
Net assets		**270,918**	237,563
Equity attributable to equity holders of the Company			
Share capital	27	**12,645**	12,645
Treasury shares	28	**(1,547)**	(2,472)
Reserves		**254,206**	221,646
		265,304	231,819
Non-controlling interests			
Non-controlling interests		**5,614**	5,744
Total equity		**270,918**	237,563

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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		Company	
	Note	**2024 $'000**	2023 $'000
Non-current assets			
Property, plant and equipment	11	**45**	39
Intangible assets	13	**208**	228
Subsidiaries	14	**92,752**	92,752
		93,005	93,019
Current assets			
Prepayments		**209**	203
Other receivables	17	**37,212**	51,609
Derivatives	26	**3,687**	–
Cash and cash equivalents	19	**87,877**	43,616
		128,985	95,428
Current liabilities			
Payables and accruals	22	**59,986**	42,596
Income tax payable		**198**	84
Derivatives	26	**–**	1,301
		60,184	43,981
Net current assets		**68,801**	51,447
Net assets		**161,806**	144,466
Equity attributable to equity holders of the Company			
Share capital	27	**12,645**	12,645
Treasury shares	28	**(1,547)**	(2,472)
Reserves		**150,708**	134,293
Total equity		**161,806**	144,466

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the Financial Year ended 31 December 2024

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital (Note 27) $'000	Treasury shares (Note 28) $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Other reserves (Note 29) $'000	Total reserves $'000	$'000	$'000
Group 2024								
Balance at 1 January 2024	12,645	(2,472)	(5,354)	190,953	36,047	221,646	5,744	237,563
Profit for the year	–	–	–	40,855	–	40,855	325	41,180
Other comprehensive income								
Foreign currency translation	–	–	4,381	–	–	4,381	(31)	4,350
Realisation of reserves to income statement on liquidation of subsidiary	–	–	(56)	–	–	(56)	–	(56)
Fair value changes of derivatives	–	–	–	–	4,988	4,988	–	4,988
Other comprehensive income for the year, net of tax	–	–	4,325	–	4,988	9,313	(31)	9,282
Total comprehensive income for the year	–	–	4,325	40,855	4,988	50,168	294	50,462
Contributions by and distributions to equity holders								
Share-based payment (Note 6)	–	–	–	–	151	151	–	151
Purchase of treasury shares	–	(781)	–	–	–	–	–	(781)
Reissuance of treasury shares	–	1,706	–	–	(315)	(315)	–	1,391
Dividends on ordinary shares (Note 36)	–	–	–	(17,444)	–	(17,444)	–	(17,444)
Total transactions with equity holders in their capacity as equity holders	–	925	–	(17,444)	(164)	(17,608)	–	(16,683)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(424)	(424)
Balance at 31 December 2024	12,645	(1,547)	(1,029)	214,364	40,871	254,206	5,614	270,918

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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	Attributable to equity holders of the Company							Non-controlling interests	Non-controlling interests of disposal group classified as held for sale	Total equity
	Share capital (Note 27) $'000	Treasury shares (Note 28) $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Other reserves (Note 29) $'000	Reserves of disposal group classified as held for sale $'000	Total reserves $'000	$'000	$'000	$'000
Group 2023										
Balance at 1 January 2023	12,645	(1,386)	(2,443)	169,234	35,522	(2,149)	200,164	6,271	701	218,395
Profit for the year	–	–	–	34,297	–	–	34,297	61	173	34,531
Other comprehensive income										
Foreign currency translation	–	–	(2,911)	–	–	135	(2,776)	(169)	34	(2,911)
Realisation of reserves to income statement on disposal of subsidiary	–	–	–	–	–	2,014	2,014	–	–	2,014
Fair value changes of derivatives	–	–	–	–	695	–	695	–	–	695
Other comprehensive income for the year, net of tax	–	–	(2,911)	–	695	2,149	(67)	(169)	34	(202)
Total comprehensive income for the year	–	–	(2,911)	34,297	695	2,149	34,230	(108)	207	34,329
Contributions by and distributions to equity holders										
Share-based payment (Note 6)	–	–	–	–	(65)	–	(65)	–	–	(65)
Purchase of treasury shares	–	(1,379)	–	–	–	–	–	–	–	(1,379)
Reissuance of treasury shares	–	293	–	–	(105)	–	(105)	–	–	188
Dividends on ordinary shares (Note 36)	–	–	–	(12,578)	–	–	(12,578)	–	–	(12,578)
Total transactions with equity holders in their capacity as equity holders	–	(1,086)	–	(12,578)	(170)	–	(12,748)	–	–	(13,834)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(419)	–	(419)
Disposal of subsidiary	–	–	–	–	–	–	–	–	(908)	(908)
Balance at 31 December 2023	12,645	(2,472)	(5,354)	190,953	36,047	–	221,646	5,744	–	237,563

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity (continued)

	Attributable to equity holders of the Company					Total equity
	Share capital (Note 27) $'000	Treasury shares (Note 28) $'000	Retained earnings $'000	Other reserves (Note 29) $'000	Total reserves $'000	$'000
Company 2024						
Balance at 1 January 2024	**12,645**	**(2,472)**	**98,246**	**36,047**	**134,293**	**144,466**
Profit for the year	**–**	**–**	**29,035**	**–**	**29,035**	**29,035**
Other comprehensive income						
Fair value changes of derivatives	**–**	**–**	**–**	**4,988**	**4,988**	**4,988**
Other comprehensive income for the year, net of tax	**–**	**–**	**–**	**4,988**	**4,988**	**4,988**
Total comprehensive income for the year	**–**	**–**	**29,305**	**4,988**	**34,023**	**34,023**
Contributions by and distributions to equity holders						
Share-based payment (Note 6)	**–**	**–**	**–**	**151**	**151**	**151**
Purchase of treasury shares	**–**	**(781)**	**–**	**–**	**–**	**(781)**
Reissuance of treasury shares	**–**	**1,706**	**–**	**(315)**	**(315)**	**1,391**
Dividends on ordinary shares (Note 36)	**–**	**–**	**(17,444)**	**–**	**(17,444)**	**(17,444)**
Total transactions with equity holders in their capacity as equity holders	**–**	**925**	**(17,444)**	**(164)**	**(17,608)**	**(16,683)**
Balance at 31 December 2024	**12,645**	**(1,547)**	**109,837**	**40,871**	**150,708**	**161,806**
Company 2023						
Balance at 1 January 2023	12,645	(1,386)	84,087	35,522	119,609	130,868
Profit for the year	–	–	26,737	–	26,737	26,737
Other comprehensive income						
Fair value changes of derivatives	–	–	–	695	695	695
Other comprehensive income for the year, net of tax	–	–	–	695	695	695
Total comprehensive income for the year	–	–	26,737	695	27,432	27,432
Contributions by and distributions to equity holders						
Share-based payment (Note 6)	–	–	–	(65)	(65)	(65)
Purchase of treasury shares	–	(1,379)	–	–	–	(1,379)
Reissuance of treasury shares	–	293	–	(105)	(105)	188
Dividends on ordinary shares (Note 36)	–	–	(12,578)	–	(12,578)	(12,578)
Total transactions with equity holders in their capacity as equity holders	–	(1,086)	(12,578)	(170)	(12,748)	(13,834)
Balance at 31 December 2023	12,645	(2,472)	98,246	36,047	134,293	144,466

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the Financial Year ended 31 December 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit before tax from continuing operations		**51,331**	45,331
Loss before tax from discontinued operation		**–**	(1,147)
Profit before tax, total		**51,331**	44,184
Adjustments for:			
Depreciation of property, plant and equipment	11	**21,473**	19,845
Amortisation of intangible assets	13	**2,717**	2,858
Amortisation of upfront fees	20	**95**	72
Interest income		**(798)**	(325)
Interest expense		**2,979**	3,049
Loss on disposal of property, plant and equipment, net	5c	**70**	163
Loss on disposal of subsidiary	9	**–**	2,224
Impairment loss on financial assets		**738**	909
Impairment loss in associate	5c	**1,258**	–
Write-down of inventories		**21**	4
Write-off of property, plant and equipment	5c	**1,486**	174
Write-off of intangible assets	5c	**91**	597
Share-based payment expenses	6	**151**	(65)
Share of results of associate		**(2,456)**	(2,765)
Foreign exchange differences		**1,266**	(167)
Operating cash flows before changes in working capital		**80,422**	70,757
Changes in working capital:			
(Increase)/decrease in			
Trade and other receivables		**12,888**	(32,074)
Prepayments		**(762)**	376
Inventories		**(6,582)**	3,850
Other assets		**1,467**	821
Increase/(decrease) in			
Payables, accruals and provisions		**11,283**	27,992
Deferred income		**428**	(1,283)
Cash flows from operations		**99,144**	70,439
Interest paid		**(2,921)**	(2,924)
Income tax paid		**(9,038)**	(6,573)
Interest received		**798**	325
Net cash flows from operating activities		**87,983**	61,267
Cash flows from investing activities			
Additions to property, plant and equipment	Note A	**(16,257)**	(9,717)
Additions to intangible assets	13	**(2,348)**	(2,186)
Proceeds from disposal of property, plant and equipment		**197**	124
Net cash on disposal of subsidiary	9	**1,000**	2,158
Dividend income from associate	15	**2,675**	2,004
Net cash flows used in investing activities		**(14,733)**	(7,617)
Cash flows from financing activities			
Proceeds from bank borrowings		**18,723**	60,848
Repayment of bank borrowings		**(25,408)**	(93,127)
Payment of principal portion of lease liabilities		**(7,553)**	(6,555)
Purchase of treasury shares		**(781)**	(1,379)
Proceeds from reissuance of treasury shares		**1,391**	188
Dividends paid to shareholders	36	**(17,444)**	(12,578)
Dividends paid to non-controlling interests		**(424)**	(419)
Net cash flows used in financing activities		**(31,496)**	(53,022)
Net increase in cash and cash equivalents		**41,754**	628
Cash and cash equivalents as at beginning of year		**64,373**	64,646
Effects of exchange rate changes on opening cash and cash equivalents		**884**	(901)
Cash and cash equivalents as at end of year	19	**107,011**	64,373
Note A: Reconciliation of additions to property, plant and equipment			
Additions to property, plant and equipment	11	**29,144**	39,434
Less: Non-cash additions to right-of-use assets	20	**(12,324)**	(28,062)
Less: Provision for reinstatement cost during the financial year	24	**(563)**	(1,655)
		16,257	9,717

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

For the Financial Year ended 31 December 2024

1. Corporate information

Pan-United Corporation Ltd (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office and principal place of business of the Company is located at 7 Temasek Boulevard, #16-01 Suntec Tower One, Singapore 038987.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associate are disclosed in Note 14 and Note 15 to the financial statements respectively.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendment to Classification and Measurements of Financial Instruments	1 January 2026
SFRS(I) 18 Presentation and Disclosure in Financial Statements	1 January 2026
SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2027

The directors expect that the adoption of the abovementioned standards will not have a material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.6 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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Notes To The Financial Statements (continued)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land (includes land use rights)	–	Over the remaining lease terms
Leasehold buildings	–	Over the remaining lease terms
Plant and machinery	–	5 to 50 years
Office furniture and equipment	–	3 to 10 years
Motor vehicles	–	5 to 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	3 to 20 years
Leasehold building	–	3 to 5 years
Plant and machinery	–	3 to 5 years
Motor vehicles and other equipment	–	3 to 7 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subjected to impairment. Refer to the accounting policy in Note 2.10 on the impairment of non-financial assets.

The Group presents right-of-use assets under 'property, plant and equipment' in the balance sheet.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Details of the Group's lease liabilities are disclosed in Note 21.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease exemption to its short-term leases of machinery and equipment (i.e., leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.22c.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

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Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

2.9 Intangible assets (continued)

(a) Import quota (other assets)

Import quota costs are recognised as an intangible asset when the Group can demonstrate that the cost to secure the quota is separable, its control over the import quota and how the import quota will generate future economic benefits.

(b) Developed technology and product development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation of the intangible asset begins when development is complete, and the asset is available for use. Development costs have a finite useful life and are amortised over the period of expected sales or usage from the related project (ranging from 5 to 10 years) on a straight-line basis.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.12 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate.

Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit or loss.

The financial statements of the associate are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 Deferred income

Deferred income relates to voyages-in-progress. Deferred income is credited into profit or loss as revenue when the Group satisfies the respective performance obligations.

Deferred income from voyages-in-progress is recognised as revenue using the percentage of completion method. The Group satisfies the performance obligation over time, with the customer simultaneously receiving and consuming the benefits as the Group renders the service.

2.14 Financial instruments

(a) Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

2.14 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments is at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in OCI for debt instruments is recognised in profit or loss.

(b) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, non-derivative financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expired. On de-recognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(c) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge against risks associated with foreign currency fluctuations. Foreign exchange forward contracts and currency option contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Refer to Note 26 for more details.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in profit or loss.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

– fair value hedges when hedging the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment;
– cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
– hedges of a net investment in a foreign operation.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Group assesses on a forward-looking basis the ECL associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience. Details are outlined in Note 33c.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is assigned using the weighted average method and includes all cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value to the lower of cost and net realisable value.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

2.19 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which the grants are intended to compensate are expensed. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share-based payment

The Company previously has in place the Pan-United Share Option Scheme (Scheme 2002) for granting of options (equity-settled transactions) to eligible directors and employees of the Group to subscribe for shares in the Company. The Scheme 2002 had expired on 18 April 2022, however, under the rules, the expiry of the scheme does not offset any options which have been granted, whether such options have been exercised (fully or partially) or not.

Further to the expiry of the Scheme 2002, the Company adopted the PUC Share Plan (Plan 2022) for the granting of share awards (equity-settled transactions) to eligible directors, employees and associated company employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options and share awards at the date on which the options and share awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share-based payment reserve, over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options and share awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options and share awards that do not ultimately vest, except for options and share awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option or share award does not vest as a result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that would otherwise be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share-based payment reserve is transferred to revenue reserve upon expiry of the options. When the options are exercised or when the share awards are vested, the employee share-based payment reserve is transferred to share capital if new shares are issued.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

2.22 Revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that no significant reversal of revenue will occur once associated uncertainties are resolved.

The amount of variable consideration is calculated by using either the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds 12 months and the financing benefit either to the customer or the Group is significant.

If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Group reasonably estimates them, primarily by using historical reference values. Revenue is recognised for each performance obligation either at a point in time or over time.

(a) Sale of goods

Revenue from sale of goods is recognised when the Group satisfies the performance obligation at a point in time, which is when the control of the promised goods has been transferred to the customer, depending on the contractual terms and the practices in the legal jurisdictions. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from shipping services is recognised over the period using the percentage of completion method, as the Group satisfies its performance obligations over time. The customer simultaneously receives and consumes the benefits while the Group renders the service.

(c) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.23 Dividend and interest income

Dividend income is recognised in profit or loss when the Group's right to receive payment has been established.

Interest income is recognised in profit or loss, as it accrues, using the effective interest method.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the taxes relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associate where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

2.24 Taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unutilised tax credits and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unutilised tax credits and unutilised tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax is recognised in relation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segments' performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segmental information.

2.26 Share capital and share issuance expenses

(a) Ordinary shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(b) Preference shares issued to non-controlling interests of a subsidiary

Preference shares are classified as equity as they are redeemable at the discretion of the issuer (a subsidiary of the Group).

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them.

2.28 Discontinued operation

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

– Represents a separate major line of business or geographical area of operations; or
– Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss, net of tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 9. All other notes to the financial statements include amounts for continuing operations, except when otherwise indicated.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Estimating variable consideration for sale of goods

In estimating the variable consideration for the sale of goods (i.e., concrete), the Group uses the expected value method to estimate the variable price component. The variable price component is pegged to a monthly price index, which is published one to two months subsequent to month-end. Management relies on latest available price index to estimate the variable price component of the last two months of the financial reporting period end.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. Management has taken into consideration of both the likelihood and magnitude in its assessment on the probability of a significant revenue reversal. Based on historical experience, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will not occur when the actual price index is published subsequent to the financial reporting period end.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Information about the ECL on the Group's trade receivables is disclosed in Note 33c.

The carrying amount of trade receivables as at 31 December 2024 is disclosed in Note 17.

Notes To The Financial Statements (continued)

3. Significant accounting estimates and judgements (continued)

3.2 Key sources of estimation uncertainty

(b) Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying amount of leases as at 31 December 2024 is disclosed in Note 12.

(c) Impairment of investment in associate

The recoverable amount of the investment in associate is determined based on value-in-use calculations. The value-in-use calculation is based on a dividend discount model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows.

4. Revenue

	Group	
	2024 **$'000**	2023 $'000
Sale of goods	**799,762**	758,971
Rendering of services	**12,535**	15,167
	812,297	774,138

Disaggregation of revenue

Disaggregation of the Group's revenue is detailed in Note 35a.

Timing of transfer of goods or services

– Sale of concrete and cement and other trading activities: at a point in time.
– Rendering of services relates primarily to shipping activities: over time.

5. Profit before tax from continuing operations

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the following items have been included in arriving at profit before tax from continuing operations:

	Group	
	2024 **$'000**	2023 $'000
(a) Other income		
Agency and brokerage income	**660**	687
Government grant	**730**	728
Interest income from financial assets	**798**	318
(b) Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	**21,473**	19,845
Amortisation of intangible assets	**2,717**	2,858
	24,190	22,703
(c) Other expenses		
Usage of equipment, maintenance and consumables	**13,894**	11,357
Land rental and other related expenses	**7,376**	5,330
Expenses relating to short-term leases	**1,422**	1,303
Expenses relating to leases of low-value assets	**40**	50
Utilities and telecommunication charges	**8,897**	8,825
Professional fees	**1,424**	1,467
Impairment loss in associate	**1,258**	–
Write-off of property, plant and equipment	**1,486**	174
Write-off of intangible assets	**91**	597
Loss on disposal of property, plant and equipment	**70**	163
Audit fees payable to Auditor of the Company	**300**	231
Audit fees payable to member firms of the Auditor of the Company	**50**	39
Non-audit fees payable to Auditor of the Company	**27**	29

6. Staff costs

	Group	
	2024 **$'000**	2023 $'000
Staff costs (including directors)		
Salaries, allowances and bonuses	**50,979**	50,155
Central Provident Fund and other retirement contribution plans	**3,126**	3,748
Share-based payment expenses	**151**	(65)
Other personnel-related expenses	**3,775**	3,629
	58,031	57,467

Share-based payment expenses

The Group previously has in place the Pan-United Share Option Scheme (Scheme 2002), which had expired on 18 April 2022. Further to the expiry of the Scheme 2002, the Company adopted the PUC Share Plan (Plan 2022).

(i) Share option scheme

Under the rules of the Scheme 2002, the expiry of the scheme does not offset any options which have been granted, whether such options have been exercised (fully or partially) or not.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2024		2023	
	No. of share options	**WAEP/ Adjusted WAEP ($)**	No. of share options	WAEP/ Adjusted WAEP ($)
Outstanding at beginning of year	**7,683,800**	**0.43/0.35**	9,545,400	0.48/0.37
Exercised during the year (Note a)	**(3,904,700)**	**0.44/0.36**	(633,000)	0.30/0.29
Forfeited during the year	**(202,200)**	**0.80/0.51**	(1,228,600)	0.87/0.56
Outstanding at end of year (Note b)	**3,576,900**	**0.40/0.32**	7,683,800	0.43/0.35
Exercisable at end of year	**3,576,900**	**0.40/0.32**	6,927,800	0.44/0.35

Notes:
(a) The adjusted weighted average share price at the dates of exercise for the options exercised during the year was $0.36 (2023: $0.29).
(b) The range of exercise prices for options outstanding at the end of the year was $0.27 to $0.35 (2023: $0.27 to $0.51) after adjustment pursuant to the de-merger/capital reduction. The weighted average remaining contractual life for these options is 4 years (2023: 5 years).

(ii) Share awards scheme

The purpose of the Plan 2022 is to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees, non-executive directors, or associated company employees who can contribute and/or have contributed to the growth of the Group. The Plan 2022 will give participants an opportunity to have a personal equity interest in the Company.

The Plan 2022 is managed by the Remuneration Committee and the committee shall, in its absolute discretion, determine the participant, the share award date, the number of share awards, the performance conditions and period, vesting periods, vesting dates and release schedule.

The table below illustrates the movements in the shares awarded under the Plan 2022 during the financial year.

	No. of share awards	
	2024	2023
Balance as at 1 January	**568,000**	–
Granted	**696,000**	658,000
Vested and released	**(260,400)**	(90,000)
Balance as at 31 December	**1,003,600**	568,000

The fair value of the share award is determined on the grant date using the share price, adjusted for cum dividend effect if any, on the date of grant, reduced by the present value of the estimated dividends to be paid on the underlying shares that the participants are not entitled during the vesting period, discounted at the risk-free interest rate determined on the grant date.

Notes To The Financial Statements (continued)

7. Finance costs

	Group	
	2024	2023
	$'000	$'000
Interest expense on financing	**1,416**	2,426
Interest expense on lease liabilities (Note 21)	**1,562**	615
Bank charges	**469**	372
	3,447	3,413

8. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group	
	2024	2023
	$'000	$'000
Consolidated income statement		
Current income tax		
Current income taxation	**9,389**	9,971
Under/(over) provision in respect of previous years	**203**	(104)
Deferred income tax		
Origination and reversal of temporary differences	**830**	(741)
(Over)/under provision in respect of previous years	**(238)**	413
Provision for withholding tax on undistributed earnings of foreign associate	**(33)**	114
Income tax expense attributable to continuing operations	**10,151**	9,653
Income tax expense attributable to discontinued operation (Note 9)	**–**	–
Income tax expense recognised in profit or loss	**10,151**	9,653

(b) Relationship between income tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the years ended 31 December 2024 and 2023 are as follows:

	Group	
	2024	2023
	$'000	$'000
Profit before tax from continuing operations	**51,331**	45,331
Loss before tax from discontinued operation	**–**	(1,147)
Profit before tax	**51,331**	44,184
Tax at the domestic rates applicable to profits in the countries where the Group operates	**9,368**	7,670
Adjustments:		
Non-deductible expenses	**842**	1,560
Effect of partial tax exemption and tax incentives	**(174)**	(164)
Income not subject to taxation	**(246)**	(29)
(Over)/under provision in respect of previous years	**(35)**	309
Deferred tax assets not recognised	**628**	323
Benefits from previously unabsorbed capital allowances and unutilised tax losses	**(232)**	(16)
Income tax expense recognised in profit or loss	**10,151**	9,653

9. Discontinued operation

On 14 October 2022, the Company announced the Proposed Disposal of its entire 49% issued share capital of PT. Pacific Granitama (PTPG), a limited liability company in the business of the mining, production, sale and export of aggregates and other materials in Indonesia for an aggregate cash consideration of $3,500,000. The cash consideration shall be paid to the Company in seven tranches of $500,000 each upon signing of sale and purchase of shares agreement (SPA) and every quarter from the date of entry into the SPA.

The Proposed Disposal was completed on 19 April 2023.

Following the completion of the Proposed Disposal, PTPG ceased to be a subsidiary of the Group. The carrying amounts of assets and liabilities of PTPG at the date of disposal and the effects of the disposal to the Group were as follow:

	2023
	$'000
Assets	
Property, plant and equipment	4,063
Inventories	2,391
Prepayments	132
Trade and other receivables	2,773
Cash and cash equivalents	609
Total assets	9,968
Liabilities	
Payables and accruals	3,220
Employee benefits liability	1,453
Provisions	728
Total liabilities	5,401
Net assets derecognised	4,567
Less: Non-controlling interests	(908)
Net assets disposed of	3,659
Sales consideration	3,500
Less: Net assets disposed of (as above)	(3,659)
Foreign currency translation reserve realised	(2,014)
Transaction costs related to the disposal	(51)
Loss on disposal of subsidiary	(2,224)

Cash flow effect of the disposal:

	2024	2023
	$'000	$'000
Sales consideration	**–**	3,500
Less: Proceeds received in 2022	**–**	(500)
Sales consideration receivable (Note 17)	**–**	(1,000)
Cash consideration received during the year	**1,000**	2,000
Add: Net cash outflow from discontinued operation	**–**	209
Transaction costs related to the disposal	**–**	(51)
Net cash inflow on disposal of subsidiary	**1,000**	2,158

The sales consideration of $3,500,000 has been fully received as at 31 December 2024.

Income statement disclosures

The results of the discontinued operation up to date of disposal were as follows:

	1.1.2023 to 19.4.2023 (date of disposal)
	$'000
Revenue	8,158
Other income	7
Expenses	(7,079)
Finance costs	(9)
Loss on disposal of subsidiary	(2,224)
Loss before tax from discontinued operation	(1,147)
Income tax expense	–
Loss from discontinued operation, net of tax	(1,147)

Notes To The Financial Statements (continued)

9. Discontinued operation (continued)

Cash flow statement disclosures

The cash flows attributable to the disposal group for the year ended 31 December 2023 were as follows:

	2023 $'000
Net cash outflow from operating activities	(209)

Loss per share disclosures

Loss per share (cents per share) from discontinued operation attributable to equity holders of the Company were as follows:

	2023
Basic	(0.19)
Diluted	(0.19)

The basic and diluted loss per share from discontinued operation were calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic loss per share computation and weighted average number of ordinary shares adjusted for conversion of all dilutive potential ordinary shares for diluted loss per share computation respectively. The loss and share data are presented in tables in Note 10.

10. Earnings per share

Basic earnings per share is calculated by dividing the Group's profit for the year, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the Group's profit for the year, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares under the Scheme 2002 into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2024 $'000	2023 $'000
Profit for the year attributable to equity holders of the Company	**40,855**	34,297
Loss from discontinued operation, net of tax, attributable to equity holders of the Company	**–**	1,320
Profit from continuing operations, net of tax, attributable to equity holders of the Company used in the computation of basic and diluted earnings per share from continuing operations	**40,855**	35,617

	2024 No. of shares '000	2023 No. of shares '000
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share computation	**698,354**	695,817
Effect of dilution on share options	**1,173**	1,033
Weighted average number of ordinary shares (excluding treasury shares) for diluted earnings per share computation	**699,527**	696,850
Earnings per share for the year from continuing operations attributable to equity holders of the Company (cents per share)		
Basic	**5.85**	5.12
Diluted	**5.84**	5.11
Earnings per share for the year (cents per share)		
Basic	**5.85**	4.93
Diluted	**5.84**	4.92

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11. Property, plant and equipment

Group	Leasehold land $'000	Leasehold buildings $'000	Plant and machinery $'000	Other assets $'000	Construction-in-progress $'000	Total $'000
Cost						
At 1 January 2023	46,650	27,509	212,241	15,675	2,765	304,840
Additions	28,671	601	7,608	1,387	1,167	39,434
Disposals	–	–	(1,505)	(56)	–	(1,561)
Write-off	(1,286)	(517)	(2,740)	(376)	–	(4,919)
Reclassification	61	–	2,442	25	(2,528)	–
Exchange differences	(387)	(232)	(3,426)	(70)	–	(4,115)
At 31 December 2023 and 1 January 2024	73,709	27,361	214,620	16,585	1,404	333,679
Additions	12,135	154	11,591	1,500	3,764	29,144
Disposals	–	–	(3,798)	(5)	–	(3,803)
Write-off	(50)	–	(14,911)	(1,566)	–	(16,527)
Reclassification	15	–	892	6	(913)	–
Exchange differences	164	215	3,088	123	3	3,593
At 31 December 2024	85,973	27,730	211,482	16,643	4,258	346,086
Accumulated depreciation						
At 1 January 2023	30,110	9,309	107,136	10,672	–	157,227
Depreciation charge for the year	6,547	880	10,700	1,718	–	19,845
Disposals	–	–	(1,218)	(56)	–	(1,274)
Write-off	(1,286)	(517)	(2,604)	(338)	–	(4,745)
Exchange differences	(124)	(69)	(711)	(8)	–	(912)
At 31 December 2023 and 1 January 2024	35,247	9,603	113,303	11,988	–	170,141
Depreciation charge for the year	8,190	913	10,673	1,697	–	21,473
Disposals	–	–	(3,531)	(5)	–	(3,536)
Write-off	(50)	–	(13,436)	(1,555)	–	(15,041)
Exchange differences	30	74	557	66	–	727
At 31 December 2024	43,417	10,590	107,566	12,191	–	173,764
Net carrying amount						
At 31 December 2023	38,462	17,758	101,317	4,597	1,404	163,538
At 31 December 2024	42,556	17,140	103,916	4,452	4,258	172,322

Notes To The Financial Statements (continued)

11. Property, plant and equipment (continued)

Plant and machinery include storage tanks, civil and structure work of silos. Other assets comprise mainly motor vehicles, office furniture and equipment.

Included in property, plant and equipment is right-of-use assets amounting to $41,011,000 (2023: $37,298,000). Details of the leased assets are disclosed in Note 12.

Assets pledged as security

The Group's property, plant and equipment with a carrying amount of $49,652,000 (2023: $46,900,000) are mortgaged to secure the Group's bank loans (Note 20).

Company	Other assets $'000
Cost	
At 1 January 2023	399
Additions	14
Disposal	(2)
At 31 December 2023 and 1 January 2024	411
Additions	28
Write-off	(9)
At 31 December 2024	430
Accumulated depreciation	
At 1 January 2023	346
Depreciation charge for the year	28
Disposal	(2)
At 31 December 2023 and 1 January 2024	372
Depreciation charge for the year	22
Write-off	(9)
At 31 December 2024	385
Net carrying amount	
At 31 December 2023	39
At 31 December 2024	45

Other assets comprise mainly office furniture and equipment.

12. Leases

Group as a lessee under SFRS(I) 16

The Group has lease contracts for various leasehold land, building, motor vehicles, plant and machinery and other assets used in its operations. The Group's obligations under these leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets included in property, plant and equipment and the movements during the year:

Group	Leasehold land $'000	Leasehold buildings $'000	Plant and machinery $'000	Other assets $'000	Total $'000
At 1 January 2023	13,607	28	39	1,464	15,138
Additions	28,671	172	–	524	29,367
Depreciation charge for the year	(6,492)	(55)	(21)	(567)	(7,135)
Write-off	–	–	–	(23)	(23)
Exchange differences	(31)	(6)	–	(12)	(49)
At 31 December 2023 and 1 January 2024	35,755	139	18	1,386	37,298
Additions	12,135	–	–	363	12,498
Depreciation charge for the year	(8,135)	(57)	(18)	(581)	(8,791)
Exchange differences	(9)	6	–	9	6
At 31 December 2024	39,746	88	–	1,177	41,011

The following are the amounts recognised in profit or loss:

	Group 2024 $'000	2023 $'000
Depreciation expense on right-of-use assets	**8,791**	7,135
Interest expense on lease liabilities	**1,562**	615
Expenses relating to short-term leases	**1,422**	1,303
Expenses relating to leases of low-value assets	**40**	50
	11,815	9,103

In 2024, the Group had total cash outflows for leases of $9,115,000 (2023: $7,060,000) and non-cash additions to right-of-use assets of $12,498,000 (2023: $29,367,000) and lease liabilities of $12,324,000 (2023: $28,062,000).

Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Extension options are included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

13. Intangible assets

Group	Developed technology $'000	Product development costs $'000	Club memberships $'000	Total $'000
Cost				
At 1 January 2023	12,025	100	370	12,495
Additions:				
Internal development	2,179	7	–	2,186
Write-off	(933)	–	–	(933)
Exchange differences	(8)	–	–	(8)
At 31 December 2023 and 1 January 2024	13,263	107	370	13,740
Additions:				
Internal development	2,341	7	–	2,348
Write-off	(91)	–	–	(91)
Exchange differences	6	–	–	6
At 31 December 2024	15,519	114	370	16,003
Accumulated amortisation				
At 1 January 2023	3,853	31	–	3,884
Amortisation for the year	2,697	19	142	2,858
Write-off	(336)	–	–	(336)
Exchange differences	(4)	–	–	(4)
At 31 December 2023 and 1 January 2024	6,210	50	142	6,402
Amortisation for the year	2,676	21	20	2,717
Exchange differences	5	–	–	5
At 31 December 2024	8,891	71	162	9,124
Net carrying amount				
At 31 December 2023	7,053	57	228	7,338
At 31 December 2024	6,628	43	208	6,879

The Group's developed technology has remaining amortisation period of 1 to 5 years (2023: 1 to 5 years) for the financial year ended 31 December 2024.

Notes To The Financial Statements (continued)

13. Intangible assets (continued)

Company	Club memberships $'000
Cost	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	370
Accumulated amortisation	
At 1 January 2023	–
Amortisation for the year	142
At 31 December 2023 and 1 January 2024	142
Amortisation for the year	20
At 31 December 2024	162
Net carrying amount	
At 31 December 2023	228
At 31 December 2024	208

14. Subsidiaries

	Company	
	2024 $'000	2023 $'000
Unquoted equity shares, at cost	**10,252**	10,252
Amounts due from subsidiaries	**82,500**	82,500
	92,752	92,752

The amounts due from subsidiaries are non-trade in nature, unsecured and non-interest bearing. Repayments are at the sole discretion of the respective subsidiaries and are to be settled in cash.

Details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding held by the Group	
		2024 %	2023 %
Held by the Company:			
Pan-United Industries Pte. Ltd. (Singapore)	Trading and supply of refined petroleum products and basic building materials	100	100
Pan-United Investments Pte. Ltd. (Singapore)	Investment holding	100	100
PanU Harmony Pte. Ltd. (Singapore)	Trading and provision of shipping services	100	100
United Bulk Shipping Pte. Ltd. (Singapore)	Provision of shipping services	51	51
GoTruck Holdings Pte. Ltd. (Singapore)	Investment holding, information technology and computer service activities	97	97
Pan-United Technologies Pte. Ltd. (Singapore)	Technology and computer service activities	100	100
Pan-United Digital Solutions Pte. Ltd. (Singapore)	Investment holding, information technology and computer service activities	100	100

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Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding held by the Group	
		2024 %	2023 %
Held through subsidiaries:			
Pan-United Concrete Pte. Ltd. (Singapore)	Manufacture and supply of ready-mix concrete and related products	100	100
Raffles Concrete Pte. Ltd. (Singapore)	Manufacture and supply of ready-mix concrete and related products	100	100
United Cement Pte. Ltd. (Singapore)	Cement silo operator, cement trading and distribution	100	100
Raffles Cement Pte. Ltd. (Singapore)*	Cement silo operator, cement trading and distribution	49	49
Fico Pan-United Concrete Joint Stock Company (Vietnam)	Manufacture and supply of ready-mix concrete and related products	55	55
PT. Pan-United Concrete (Indonesia)^	Manufacture and supply of ready-mix concrete and related products	–	100
Meridian Maplestar Sdn. Bhd. (Malaysia)	Manufacture and trading of basic building materials	100	100
Fortis Star Sdn. Bhd. (Malaysia)	Manufacture and supply of ready-mix concrete and related products	100	100
Pan-United Asphalt Pte. Ltd. (Singapore)	Trading and supply of basic building materials	100	100
Pan-United Resources Pte. Ltd. (Singapore)	Investment holding and general trading	100	100
Pan-United Bulk Trade (2010) Pte. Ltd. (Singapore)	Investment holding and general trading	100	100
Resources Development (2010) Pte. Ltd. (Singapore)	Investment holding and general trading	100	100
Cresco Development Pte. Ltd. (Singapore)	Investment holding and general trading	100	100
Salvus Development Pte. Ltd. (Singapore)	Investment holding and general trading	100	100
Pan-United International Pte. Ltd. (Singapore)	Investment holding	100	100
GoTruck Pte. Ltd. (Singapore)	Technology and computer service activities	97	97
AiR Digital Solutions Pte. Ltd. (Singapore)	Software consultancy, information technology and computer service activities	100	100
Air Digital Pte. Ltd.# (Singapore)	Information technology and computer service activities	100	–
Blue Marble Sustainability Technologies Pte. Ltd. (Singapore)	Marketing and provision of sustainable technology solutions	100	100
Blue Marble Sustainability Sdn. Bhd. (Malaysia)	Marketing and provision of sustainable technology solutions	100	100

Ernst & Young LLP, Singapore is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of EY Global are auditors of significant foreign-incorporated subsidiaries.

Notes To The Financial Statements (continued)

14. Subsidiaries (continued)

* Although the Group owns less than half of the voting power of the entity, Management has determined that it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consequently, the Group consolidates this investment as a subsidiary of the Group.

^ On 30 December 2024, PT. Pan-United Concrete was liquidated.

\# On 8 February 2024, the Company incorporated an indirect wholly-owned subsidiary, AiR Digital Pte. Ltd.

15. Associate

The Group's investment in associate is summarised below:

	Group	
	2024	2023
	$'000	$'000
PT. Lanna Harita Indonesia	**3,952**	5,429

Name of associate (Country of incorporation)	Principal activity	Effective shareholding held by the Group	
		2024	2023
		%	%
PT. Lanna Harita Indonesia (Indonesia)	Coal mining	**10**	10

Although the Group holds less than 20% of the ownership interest and voting control of PT. Lanna Harita Indonesia (PT. Lanna), the Group has the ability to exercise significant influence through both its shareholding and its nominated director's participation on PT. Lanna's Board of Directors. The results of PT. Lanna were accounted for using the equity method in the consolidated financial statements.

During the year, the Group assessed the carrying amount of its investment in associate for indicators of impairment. Based on the assessment, the Group recognised an impairment loss of $1,258,000 (2023: Nil). This impairment loss was primarily attributed to weaker market conditions, which led to a decrease in selling prices within the constraints of a finite useful life for the mine. The impairment loss is presented under "Other Expenses" in the consolidated income statement.

The associate is audited by a member firm of EY Global in Indonesia.

The summarised financial information of PT. Lanna, and a reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

	2024	2023
	$'000	$'000
Summarised balance sheet		
Current assets	**40,930**	42,656
Non-current assets	**38,286**	42,375
Total assets	**79,216**	85,031
Current liabilities	**15,865**	21,312
Non-current liabilities	**7,624**	7,427
Total liabilities	**23,489**	28,739
Net assets	**55,727**	56,292
Proportion of Group's ownership	**10%**	10%
Group's share of net assets	**5,573**	5,629
Impairment loss recognised	**(1,258)**	–
Other adjustments	**(363)**	(200)
Carrying amount of the investment	**3,952**	5,429
Summarised statement of comprehensive income		
Revenue	**215,656**	243,169
Profit after tax	**24,561**	27,648
Other comprehensive income, net of tax	**(53)**	–
Total comprehensive income for the year	**24,508**	27,648

Dividends of $2,675,000 (2023: $2,004,000) were received from the associate during the financial year.

16. Inventories

	Group	
	2024	2023
	$'000	$'000
Balance sheet		
Raw materials	**14,558**	11,287
Finished goods	**10,357**	6,974
Consumables	**549**	621
	25,464	18,882
Consolidated income statement		
Inventories recognised as an expense in raw materials, subcontract costs and other direct costs	**483,552**	466,506

17. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables	**165,416**	179,089	**–**	–
Amounts due from subsidiaries	**–**	–	**36,976**	51,609
Deposits	**3,155**	2,278	**–**	–
Sundry receivables	**738**	916	**236**	–
Sales consideration receivable from disposal of a subsidiary (Note 9)	**–**	1,000	**–**	–
	169,309	183,283	**37,212**	51,609
Non-current				
Trade receivables	**–**	635	**–**	–
Deposits	**121**	138	**–**	–
	121	773	**–**	–
Total trade and other receivables	**169,430**	184,056	**37,212**	51,609
Add: Cash and cash equivalents (Note 19)	**107,011**	64,373	**87,877**	43,616
Total financial assets carried at amortised cost	**276,441**	248,429	**125,089**	95,225

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables with certain customers have settlement arrangements including trade credit insurance underwritten by reputable insurers which amounted to $139,123,000 (2023: $127,440,000) at the end of the reporting period.

Amounts due from subsidiaries

Amounts due from subsidiaries are non-interest bearing and are repayable upon demand. These amounts are non-trade in nature, unsecured and are to be settled in cash.

The carrying values of these amounts approximate their fair values due to their short-term nature.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2024	2023
	$'000	$'000
At 1 January	**2,276**	2,150
Charge for the year	**738**	909
Written off during the year	**(243)**	(689)
Exchange difference	**9**	(94)
At 31 December	**2,780**	2,276

Notes To The Financial Statements (continued)

18. Other assets

Other assets relate to import quota as a right to import sand and aggregates from traditional sources which is regulated by the Building and Construction Authority (BCA) in Singapore. BCA has an Importers' Licensing Scheme which applies to any person in the business of importing sand and aggregates. This scheme regulates importers of essential construction materials to ensure a secure and reliable supply in Singapore of acceptable quality. Under this scheme, the Group is required to import certain prescribed percentage from non-traditional sources before it is allowed to import the remaining from traditional sources.

19. Cash and cash equivalents

	Group		Company	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Cash at banks and on hand	**81,424**	62,990	**62,833**	43,616
Short-term deposits	**25,587**	1,383	**25,044**	–
	107,011	64,373	**87,877**	43,616

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. Cash at banks earned interest at the average of 0.01% to 0.23% (2023: 0.01% to 0.64%) per annum. The effective interest rate of short-term deposits ranged from 2.90% to 5.33% (2023: 5.35% to 9.50%) per annum.

20. Loans and borrowings

	Group	
	2024 $'000	2023 $'000
Current		
Secured (Note a)	**10,162**	6,383
Unsecured (Note b)	**3,192**	5,669
	13,354	12,052
Non-current		
Secured (Note c)	**2,047**	4,396
Unsecured (Note d)	**–**	4,818
	2,047	9,214
Total loans and borrowings (excluding lease liabilities)	**15,401**	21,266

The secured bank loans are backed by mortgages over certain assets of foreign subsidiaries.

(a) The current secured bank loan of $10,162,000 (2023: $6,383,000) is denominated in Malaysia Ringgit and bears interest from 4.87% to 5.52% (2023: 4.40% to 5.37%) per annum.

(b) Details of the current unsecured bank loans are as follows:

(i) $3,192,000 (2023: $2,440,000) is denominated in Malaysia Ringgit and bears interest of 4.78% to 5.20% (2023: 4.46% to 5.23%) per annum.

(ii) In 2023, $3,229,000 was denominated in Vietnamese Dong and bore interest of 5.10% to 7.30% per annum. The amount was fully repaid in 2024.

(c) The non-current secured bank loan of $2,047,000 (2023: $4,396,000) is denominated in Malaysia Ringgit and bears interest of 5.49% to 5.52% (2023: 4.87% to 5.37%) per annum. The loan is repayable in 2026.

(d) In 2023, $4,818,000 was denominated in Singapore dollars and bore interest, comprising fixed and variable components, of 5.26% to 5.32% per annum. The amount was fully repaid in 2024.

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes					
	1 January 2024 $'000	**Cash flows $'000**	**Amortisation of upfront fees $'000**	**Additions to right-of-use assets $'000**	**Accretion of interest $'000**	**Foreign exchange movement $'000**	**Other $'000**	**31 December 2024 $'000**
Bank loans								
Current	**12,052**	**(1,685)**	**–**	**–**	**–**	**578**	**2,409**	**13,354**
Non-current	**9,214**	**(5,000)**	**95**	**–**	**–**	**147**	**(2,409)**	**2,047**
	21,266	**(6,685)**	**95**	**–**	**–**	**725**	**–**	**15,401**
Lease liabilities (Note 21)								
Current	**5,454**	**(5,454)**	**–**	**472**	**–**	**9**	**6,781**	**7,262**
Non-current	**30,453**	**(3,661)**	**–**	**11,852**	**1,562**	**3**	**(6,781)**	**33,428**
	35,907	**(9,115)**	**–**	**12,324**	**1,562**	**12**	**–**	**40,690**
Total	**57,173**	**(15,800)**	**95**	**12,324**	**1,562**	**737**	**–**	**56,091**

The 'Other' column relates to reclassification of non-current to current portion of bank loans and lease liabilities due to passage of time.

			Non-cash changes					
	1 January 2023 $'000	**Cash flows $'000**	**Amortisation of upfront fees $'000**	**Additions to right-of-use assets $'000**	**Accretion of interest $'000**	**Foreign exchange movement $'000**	**Other $'000**	**31 December 2023 $'000**
Bank loans								
Current	27,666	(17,279)	–	–	–	(808)	2,473	12,052
Non-current	26,975	(15,000)	72	–	–	(360)	(2,473)	9,214
	54,641	(32,279)	72	–	–	(1,168)	–	21,266
Lease liabilities (Note 21)								
Current	4,910	(4,910)	–	92	–	(20)	5,382	5,454
Non-current	9,456	(2,150)	–	27,970	615	(33)	(5,405)	30,453
	14,366	(7,060)	–	28,062	615	(53)	(23)	35,907
Total	69,007	(39,339)	72	28,062	615	(1,221)	(23)	57,173

The 'Other' column relates to reclassification of non-current to current portion of bank loans and lease liabilities due to passage of time and remeasurement of lease liabilities.

Notes To The Financial Statements (continued)

21. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2024	2023
	$'000	$'000
At 1 January	**35,907**	14,366
Additions	**12,324**	28,062
Interest expense on lease liabilities	**1,562**	615
Payments	**(9,115)**	(7,060)
Remeasurement of lease liabilities	**–**	(23)
Exchange differences	**12**	(53)
At 31 December	**40,690**	35,907
Represented by:		
Current	**7,262**	5,454
Non-current	**33,428**	30,453
Total	**40,690**	35,907

The maturity analysis of lease liabilities is disclosed in Note 33d.

22. Payables and accruals

	Group		Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Payables and accruals				
Trade payables	**112,738**	103,633	**–**	–
Other payables	**7,730**	6,196	**270**	68
Accruals	**25,657**	24,434	**2,156**	2,705
Amount due to subsidiaries	**–**	–	**57,560**	39,823
Total payables and accruals	**146,125**	134,263	**59,986**	42,596
Less: Sales tax payables	**(2,600)**	(2,544)	**(64)**	(41)
Add: Loans and borrowings (Note 20)	**15,401**	21,266	**–**	–
Add: Lease liabilities (Note 21)	**40,690**	35,907	**–**	–
Total financial liabilities measured at amortised cost	**199,616**	188,892	**59,922**	42,555

Trade and other payables
These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days' terms while other payables have an average term of six months.

Amounts due to subsidiaries
Amounts due to subsidiaries are non-interest bearing and are repayable upon demand. These amounts are non-trade in nature, unsecured and are to be settled in cash.

The carrying values of these amounts approximate their fair values due to their short-term nature.

23. Deferred income

	Group	
	2024	2023
	$'000	$'000
Income recognisable within 12 months		
Voyages-in-progress	**615**	–
Government grant	**408**	653
Others	**90**	32
Total	**1,113**	685

24. Provisions

	Group Reinstatement cost	
	2024	2023
	$'000	$'000
At 1 January	**6,624**	5,006
Recognised during the year	**563**	1,655
Utilised	**(576)**	(37)
Accretion of interest	**53**	7
Exchange differences	**9**	(7)
At 31 December	**6,673**	6,624
Represented by:		
Current	**2,078**	1,855
Non-current	**4,595**	4,769
Total	**6,673**	6,624

Provision for reinstatement cost is determined based on estimates from historical information. Reinstatement costs are capitalised in property, plant and equipment and amortised over the lease periods for leasehold land or useful life of the related plant and machinery accordingly.

25. Deferred tax

Deferred tax as at 31 December relates to the following:

(a) **Deferred tax liabilities**

	Group	
	2024	2023
	$'000	$'000
At 1 January	**5,827**	5,700
Origination and reversal of temporary differences	**2,035**	13
Provision for withholding tax on undistributed earnings of foreign associate	**(33)**	114
At 31 December	**7,829**	5,827
The deferred tax liabilities principally arise as a result of:		
Excess of net book value over tax written down value of property, plant and equipment	**7,308**	5,273
Provision for withholding tax on undistributed earnings of foreign associate	**521**	554
	7,829	5,827

(b) **Deferred tax assets**

	Group	
	2024	2023
	$'000	$'000
At 1 January	**800**	459
Origination and reversal of temporary differences	**1,443**	341
At 31 December	**2,243**	800
The deferred tax assets principally arise as a result of:		
Provisions	**2,243**	800

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25. Deferred tax (continued)

Unrecognised tax losses and capital allowances

At the end of the reporting period, the Group has unutilised tax losses of $9,347,000 (2023: $7,174,000) and unutilised capital allowances of $690,000 (2023: $707,100) that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Included in the total tax losses, $4,631,000 (2023: $4,372,000) can only be carried forward for a maximum of 10 consecutive years of assessment (YA), which will expire in YA2029.

Tax consequences of proposed dividends

There are no income tax consequences (2023: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 36).

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2023: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $82,000 (2023: $268,000). The deferred tax liability is estimated to be $16,000 (2023: $54,000).

26. Derivatives

	Group and Company			
	2024		2023	
	Contract/ Notional amount $'000	**Asset $'000**	Contract/ Notional amount $'000	Liability $'000
Forward currency contracts	**81,600**	**3,502**	77,762	(1,212)
Currency option contracts	**8,160**	**185**	7,908	(89)
Total	**89,760**	**3,687**	85,670	(1,301)

Forward currency contracts and currency option contracts are used to hedge foreign currency risk arising from the Group's purchases denominated in United States Dollar.

27. Share capital

	Group and Company			
	2024		2023	
	No. of shares '000	**$'000**	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At 1 January and 31 December	**701,996**	**12,645**	701,996	12,645

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

28. Treasury shares

	Group and Company			
	2024		2023	
	No. of shares '000	**$'000**	No. of shares '000	$'000
At 1 January	**(6,179)**	**(2,472)**	(3,413)	(1,386)
Reissued for cash:				
- On exercise of employee share options	**3,905**	**1,602**	633	256
- On vesting of share awards	**260**	**104**	90	37
Purchase of treasury shares	**(1,628)**	**(781)**	(3,489)	(1,379)
At 31 December	**(3,642)**	**(1,547)**	(6,179)	(2,472)

Treasury shares relate to ordinary shares of the Company which are reacquired by the Company.

The Company acquired 1,627,900 (2023: 3,488,900) of its ordinary shares by way of on-market purchases and held them as treasury shares during the financial year. There were no new shares issued during the year ended 31 December 2024 and 2023.

During the year ended 31 December 2024, the Company reissued 3,904,700 (2023: 633,000) treasury shares pursuant to the Scheme 2002 and 260,400 (2023: 90,000) treasury shares pursuant to the Plan 2022.

29. Other reserves

	Group and Company	
	2024 $'000	2023 $'000
Employee share-based payment reserve (Note a)	**408**	696
Gain/(loss) on reissuance of treasury shares (Note b)	**80**	(44)
Fair value reserve	**(458)**	(458)
Hedging reserve	**3,687**	(1,301)
Distribution in specie	**37,154**	37,154
	40,871	36,047

(a) Employee share-based payment reserve

Employee share-based payment reserve represents the equity-settled share options and share awards granted to employees (Note 6). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and share awards, and is reduced by the expiry or exercise of the share options, or the vesting of the share awards.

	Group and Company	
	2024 $'000	2023 $'000
At 1 January	**696**	837
Share-based payment	**151**	(65)
Reissuance of treasury shares	**(439)**	(76)
At 31 December	**408**	696

Notes To The Financial Statements (continued)

29. Other reserves (continued)

(b) Gain/(loss) on reissuance of treasury shares

This represents the gain/(loss) arising from reissuance of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

	Group and Company	
	2024 $'000	2023 $'000
At 1 January	**(44)**	(15)
Gain/(loss) on reissuance of treasury shares	**124**	(29)
At 31 December	**80**	(44)

30. Commitments

Capital expenditure contracted for as at the end of the financial year but not recognised in the financial statements are as follows:

	Group	
	2024 $'000	2023 $'000
Capital commitments in respect of plant and machinery	**234**	959

31. Related party disclosures

An entity or individual is considered a related party of the group for the purposes of the financial statements if: (i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the group or vice versa; or (ii) it is subject to common control or significant influence.

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place during the financial year at terms agreed between the parties:

	Group	
	2024 $'000	2023 $'000
Transactions with companies related to directors		
Rental income	**21**	31

Balances with related companies as at 31 December 2024 and 31 December 2023 are set out in Note 17 and Note 22.

(b) Compensation of key management personnel

	Group	
	2024 $'000	2023 $'000
Short-term employee benefits	**5,199**	4,715
Share-based payments	**61**	–
	5,260	4715
Comprise amounts paid to:		
Directors of the Company	**1,244**	1,254
Other key management personnel	**4,016**	3,461
	5,260	4,715

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Directors' and key management personnel's interests in employee share option plan and share plan

During the financial year, 90,000 (2023: 90,000) share awards were granted to non-executive directors under Plan 2022.

32. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There have been no transfers between Level 1 to Level 3 fair value measurements as at 31 December 2024 and 31 December 2023.

(b) Assets and liabilities measured at fair value

	Note	**2024 $'000**	2023 $'000
Group and Company			
Financial assets			
Derivatives:			
- Forward currency contracts	26	**3,502**	–
- Currency option contracts	26	**185**	–
		3,687	–
Financial liabilities			
Derivatives:			
- Forward currency contracts	26	**–**	1,212
- Currency option contracts	26	**–**	89
		–	1,301

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward currency contracts and currency option contracts

Forward currency contracts and currency option contracts are valued using a valuation technique with market observable inputs. These inputs include strike price, foreign exchange spot and forward rates and forward rate curves.

(d) Financial instruments whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, payables and accruals (excluding sales tax payable) approximate their fair values due to their short-term nature.

Management has determined that the carrying amounts of lease liabilities approximate their fair values as the implicit interest rates approximate the market interest rates prevailing at the financial year end.

Management has determined that the carrying amounts of floating rate loans and borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Management has determined that the carrying amounts of fixed rate loans and borrowings approximate their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

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Notes To The Financial Statements (continued)

33. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivative financial instruments, comprise loans and borrowings and cash and cash equivalents. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from the Group's long term debt obligations. The Group's practice is to manage interest cost using a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit before tax (through the impact on interest expense on floating rate loans and borrowings).

	Group	
	Increase/ (decrease) in basis points	(Decrease)/ increase in profit before tax $'000
Year ended 31 December 2024		
Loans and borrowings denominated in:		
Malaysia Ringgit	**100**	**(155)**
Malaysia Ringgit	**(100)**	**155**
Year ended 31 December 2023		
Loans and borrowings denominated in:		
Singapore Dollar	100	(50)
Malaysia Ringgit	100	(132)
Vietnamese Dong	100	(32)
Singapore Dollar	(100)	50
Malaysia Ringgit	(100)	132
Vietnamese Dong	(100)	32

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily United States Dollar (USD).

The Group also holds cash and cash equivalents denominated in currency other than Singapore Dollar for working capital purposes. As at the balance sheet date, foreign currency balances denominated in USD amounted to $14,685,000 (2023: $17,826,000).

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rate (against the respective functional currencies of the Group entities), with all other variables held constant.

		Group	
		Increase/(decrease) in profit before tax	
		2024 **$'000**	2023 $'000
USD/SGD	– strengthened 3% (2023: 3%)	**348**	413
	– weakened 3% (2023: 3%)	**(348)**	(413)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that major customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due after a prolonged period, or when the debtor is in significant financial difficulties or liquidation.

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:
- Internal credit evaluation;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations; and
- Actual or expected significant changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:
- There is significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments after a prolonged period, or when the debtor is in significant financial difficulties or liquidation. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about trade receivables.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 17.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring its trade receivables by business segment on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2024 **$'000**	**% of total**	2023 $'000	% of total
By business segment				
Concrete and Cement	**164,752**	**100**	178,668	99
Trading and Others	**664**	**–**	1,056	1
	165,416	**100**	179,724	100

At the end of the reporting period, there is no significant concentration of credit risk. The good credit history of these customers reduces the risk to the Group to an acceptable level.

Notes To The Financial Statements (continued)

33. Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and adjusted for forward-looking information such as forecast of economic conditions.

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

31 December 2024	Current $'000	1 to 30 days past due $'000	31 to 60 days past due $'000	61 to 90 days past due $'000	91 to 120 days past due $'000	More than 120 days past due $'000	Total $'000
Singapore							
Gross carrying amount	**81,937**	**41,408**	**14,461**	**2,820**	**899**	**320**	**141,845**
Allowance for impairment	**–**	**(6)**	**(7)**	**(351)**	**–**	**(287)**	**(651)**
Net carrying amount	**81,937**	**41,402**	**14,454**	**2,469**	**899**	**33**	**141,194**
Other geographical areas							
Gross carrying amount	**16,532**	**3,755**	**1,039**	**632**	**295**	**4,098**	**26,351**
Allowance for impairment	**(45)**	**(16)**	**(12)**	**(8)**	**(21)**	**(2,027)**	**(2,129)**
Net carrying amount	**16,487**	**3,739**	**1,027**	**624**	**274**	**2,071**	**24,222**
	98,424	**45,141**	**15,481**	**3,093**	**1,173**	**2,104**	**165,416**
31 December 2023							
Singapore							
Gross carrying amount	80,612	52,264	20,270	1,554	504	679	155,883
Allowance for impairment	–	(8)	(8)	(111)	–	(136)	(263)
Net carrying amount	80,612	52,256	20,262	1,443	504	543	155,620
Other geographical areas							
Gross carrying amount	12,875	4,466	2,473	1,034	344	4,925	26,117
Allowance for impairment	–	(80)	(11)	(11)	(26)	(1,885)	(2,013)
Net carrying amount	12,875	4,386	2,462	1,023	318	3,040	24,104
	93,487	56,642	22,724	2,466	822	3,583	179,724

Information regarding movement of allowance for impairment of trade receivables is disclosed in Note 17.

Amounts due from subsidiaries

The Company assessed the latest performance and financial position of the subsidiaries, adjusted for the future outlook of the industry in which the subsidiaries operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime expected credit loss and determined that the expected credit loss is insignificant.

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities to meet normal operating commitments and to mitigate the effects of fluctuations in cash flows. At the end of the financial year, 87% (2023: 57%) of the Group's loans and borrowings (Note 20) will mature in less than one year.

Analysis of financial instruments by remaining contractual maturities

The tables below summarise the maturity profile of the Group's and the Company's non-derivative financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations, including interest payments.

	Group			
31 December 2024	1 year or less $'000	Between 1 to 5 years $'000	Over 5 years $'000	Total $'000
Non-derivative financial assets				
Trade and other receivables	**169,309**	**121**	**–**	**169,430**
Cash and cash equivalents	**107,011**	**–**	**–**	**107,011**
Total undiscounted financial assets	**276,320**	**121**	**–**	**276,441**
Non-derivative financial liabilities				
Payables and accruals (excluding sales tax payables)	**143,525**	**–**	**–**	**143,525**
Lease liabilities	**8,504**	**15,849**	**28,374**	**52,727**
Loans and borrowings	**13,494**	**2,642**	**–**	**16,136**
Total undiscounted financial liabilities	**165,523**	**18,491**	**28,374**	**212,388**
Total net undiscounted financial assets/(liabilities)	**110,797**	**(18,370)**	**(28,374)**	**64,053**
31 December 2023				
Non-derivative financial assets				
Trade and other receivables	183,283	773	–	184,056
Cash and cash equivalents	64,373	–	–	64,373
Total undiscounted financial assets	247,656	773	–	248,429
Non-derivative financial liabilities				
Payables and accruals (excluding sales tax payables)	131,719	–	–	131,719
Lease liabilities	6,369	13,457	27,525	47,351
Loans and borrowings	12,981	10,780	–	23,761
Total undiscounted financial liabilities	151,069	24,237	27,525	202,831
Total net undiscounted financial assets/(liabilities)	96,587	(23,464)	(27,525)	45,598

31 December 2024	Company 1 year or less, representing Total $'000
Non-derivative financial assets	
Trade and other receivables	**37,212**
Cash and cash equivalents	**87,877**
Total undiscounted financial assets	**125,089**
Non-derivative financial liabilities	
Payables and accruals (excluding sales tax payables)	**59,922**
Total undiscounted financial liabilities	**59,922**
Total net undiscounted financial assets	**65,167**
31 December 2023	
Non-derivative financial assets	
Trade and other receivables	51,609
Cash and cash equivalents	43,616
Total undiscounted financial assets	95,225
Non-derivative financial liabilities	
Payables and accruals (excluding sales tax payables)	42,555
Total undiscounted financial liabilities	42,555
Total net undiscounted financial assets	52,670

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Notes To The Financial Statements (continued)

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using net gearing ratio, which is calculated as net debt (loans and borrowings, including lease liabilities, less cash and cash equivalents) divided by total equity. The Group is in a net cash position as at 31 December 2024 and has no gearing.

	Group	
	2024	2023
	$'000	$'000
Net cash	**50,920**	7,200
Total equity	**270,918**	237,563
Net gearing ratio	**NM**	NM

NM: Not meaningful

The Group is in compliance with all externally imposed capital requirements for the years ended 31 December 2024 and 31 December 2023.

35. Segment information

For management purposes, the Group is organised into business units based on the nature their products and services. During the financial year ended 31 December 2024, management has streamlined its operating segments from three in 2023 – namely Concrete and Cement, Trading and Shipping, and Others – into two reportable operating segments. This consolidation was undertaken as the combined revenue of the two segments, Trading and Shipping, and Others, represent 2% of the Group's total revenue in 2024. The revised segments are outlined as follows:

(a) The Concrete and Cement segment relates mainly to the manufacturing and supply of ready-mix concrete and slag, trading and distribution of cement and refined petroleum products to the construction industry, with operations in Singapore, Vietnam and Malaysia.

(b) Trading and Others segment relates to trading of raw materials and bulk shipping, and companies which are of investment holding in nature.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Correspondingly, the comparative figures have been re-presented to reflect the change in reportable operating segments.

Management continues to monitor the operating results of its business units separately to make informed decisions regarding resource allocation and performance assessment.

Segments results, assets and liabilities include items directly attributable to a segment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(a) Business segments (continuing operations)

The following tables present revenue and results information regarding the Group's business segments for the years ended 31 December 2024 and 31 December 2023.

	Concrete and Cement $'000	Trading and Others $'000	Eliminations $'000	Group $'000
31 December 2024				
Revenue				
External sales	798,186	14,111	–	812,297
Inter-segment sales	–	4,444	(4,444)	–
Total revenue	798,186	18,555	(4,444)	812,297
Results				
Segment results	71,995	3,251	–	75,246
Interest income	102	696	–	798
Depreciation expenses	(21,233)	(240)	–	(21,473)
Amortisation of intangible assets	(161)	(2,556)	–	(2,717)
Interest expense	(2,979)	–	–	(2,979)
Share of results of associate	–	2,456	–	2,456
Profit before tax from continuing operations	47,724	3,607	–	51,331
Income tax expense	(9,358)	(793)	–	(10,151)
Profit for the year from continuing operations	38,366	2,814	–	41,180
Attributable to:				
Equity holders of the Company	38,488	2,367	–	40,855
Non-controlling interests	(122)	447	–	325
	38,366	2,814	–	41,180
Balance Sheet				
Segment assets	385,614	103,304	–	488,918
Investment in associate	–	3,952	–	3,952
Intangible assets	67	6,812	–	6,879
Total assets	385,681	114,068	–	499,749
Segment liabilities	164,997	7,743	–	172,740
Lease liabilities	40,690	–	–	40,690
Loans and borrowings	15,401	–	–	15,401
Total liabilities	221,088	7,743	–	228,831
Other segment information				
Additions to non-current assets	28,929	2,563	–	31,492

Notes To The Financial Statements (continued)

35. Segment information (continued)

(a) Business segments (continuing operations) (continued)

	Concrete and Cement $'000	Trading and Others $'000	Eliminations $'000	Group $'000
31 December 2023 (Re-presented*)				
Revenue				
External sales	756,636	17,502	–	774,138
Inter-segment sales	–	2,669	(2,669)	–
Total revenue	756,636	20,171	(2,669)	774,138
Results				
Segment results	63,549	4,443	–	67,992
Interest income	152	166	–	318
Depreciation expenses	(19,601)	(244)	–	(19,845)
Amortisation of intangible assets	(330)	(2,528)	–	(2,858)
Interest expense	(3,041)	–	–	(3,041)
Share of results of associate	–	2,765	–	2,765
Profit before tax from continuing operations	40,729	4,602	–	45,331
Income tax expense	(8,430)	(1,223)	–	(9,653)
Profit for the year from continuing operations	32,299	3,379	–	35,678
Attributable to:				
Equity holders of the Company	32,665	2,952	–	35,617
Non-controlling interests	(366)	427	–	61
	32,299	3,379	–	35,678
Balance Sheet				
Segment assets	386,953	54,162	–	441,115
Investment in associate	–	5,429	–	5,429
Intangible assets	592	6,746	–	7,338
Total assets	387,545	66,337	–	453,882
Segment liabilities	156,928	2,218	–	159,146
Lease liabilities	35,907	–	–	35,907
Loans and borrowings	21,266	–	–	21,266
Total liabilities	214,101	2,218	–	216,319
Other segment information				
Additions to non-current assets	39,203	2,417	–	41,620

* The comparative figures have been re-presented to reflect the change in reportable operating segments.

(b) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively for the years ended 31 December 2024 and 31 December 2023 are as follows:

	Revenue		Non-current assets	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
Singapore	**1,056,402**	1,012,523	**131,021**	125,396
Others	**110,310**	88,610	**54,496**	52,482
Intercompany eliminations	**(354,415)**	(326,995)	**–**	–
Total	**812,297**	774,138	**185,517**	177,878

Non-current assets presented above comprise property, plant and equipment, intangible assets, investment in associate, other investment, other receivables and deferred tax assets as presented in the consolidated balance sheet.

36. Dividends

	Group and Company	
	2024 $'000	2023 $'000
Declared and paid during the year		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for year ended 2023: 1.80 cents (2022: 1.30 cents) per share	**12,559**	9,089
Interim exempt (one-tier) dividend for year ended 2024: 0.70 cents (2023: 0.50 cents) per share	**4,885**	3,489
	17,444	12,578
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
Final exempt (one-tier) dividend for year ended 2024: 2.30 cents (2023: 1.80 cents) per share	**16,062**	12,525
Dividend per share (in cents)	**2.30**	1.80

37. Authorisation of financial statements

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 1 April 2025.

Statistics Of Shareholdings

As at 21 March 2025

Class of Shares - Ordinary shares fully paid with equal voting rights*

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	22	0.23	820	–
100 - 1,000	2,833	29.79	2,735,524	0.39
1,001 - 10,000	4,946	52.01	21,366,895	3.06
10,001 - 1,000,000	1,681	17.68	85,924,506	12.30
1,000,001 and above	27	0.29	588,729,980	84.25
	9,509	100.00	698,757,725	100.00

	No. of shares in which shareholder has an interest			
Substantial shareholders	Direct Interest	%**	Deemed Interest	%**
1. Ng Han Whatt(1)	6,750,000	0.97	420,700,037	60.21
2. Patrick Ng Bee Soon(2)	34,962,037	5.00	135,000	0.02
3. Ng Bee Bee(1)	-	-	408,375,002	58.44
4. Jane Kimberly Ng Bee Kiok(1)	-	-	408,809,502	58.51

Notes

(1) The deemed interests of Mr Ng Han Whatt, Ms Ng Bee Bee and Ms Jane Kimberly Ng Bee Kiok include their shareholdings held as joint shareholders.

(2) Mr Patrick Ng Bee Soon has a deemed interest in the 135,000 shares held by his spouse.

Based on information available to the Company as at 21 March 2025, approximately 24.54% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

Twenty Largest Shareholders	No. of shares	%**
1. Ng Han Whatt, Jane Kimberly Ng Bee Kiok and Ng Bee Bee	398,250,000	56.99
2. Phillip Securities Pte Ltd	37,709,643	5.40
3. DBS Nominees (Private) Limited	36,920,689	5.28
4. Patrick Ng Bee Soon	34,962,037	5.00
5. Citibank Nominees Singapore Pte Ltd	11,234,975	1.61
6. United Overseas Bank Nominees (Private) Limited	10,892,308	1.56
7. BNP Paribas Nominees Singapore Pte Ltd	7,278,748	1.04
8. Ng Han Whatt	6,750,000	0.97
9. OCBC Securities Private Limited	4,704,050	0.67
10. Chan Wai Mun	4,596,400	0.66
11. HSBC (Singapore) Nominees Pte Ltd	4,097,700	0.59
12. Loh Kah Soon	3,122,150	0.45
13. Lee Cheong Seng	2,500,000	0.36
14. OCBC Nominees Singapore Private Limited	2,429,905	0.35
15. Lee Boon Wah	2,321,300	0.33
16. Asdew Acquisitions Pte Ltd	2,199,200	0.31
17. Chan Ying Wah	2,108,400	0.30
18. Cheng Heng Seng	2,100,000	0.30
19. Chin Poh Leng	2,060,000	0.29
20. Chow Show Sin @ Chow Susu	1,960,000	0.28
	578,197,505	82.74

* Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. As at 21 March 2025, the Company has 3,238,100 shares held as treasury shares and this represents approximately 0.46% against the total number of issued shares excluding treasury shares as at that date. The Company has no subsidiary holdings.

** The percentage is calculated based on the number of issued ordinary shares of the Company as at 21 March 2025, excluding 3,238,100 shares held as treasury shares as at that date.

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting of Pan-United Corporation Ltd. (Company) will be held at Suntec Singapore Convention & Exhibition Centre, Meeting Room 331, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 24 April 2025 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024, together with the Auditor's Report thereon. **Resolution 1**

2. To declare a final dividend of $0.023 per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2024. **Resolution 2**

3. To re-elect Mr Chan Wan Hong, a Director who will retire in accordance with Regulation 88 of the Constitution of the Company and who, being eligible, has offered himself for re-election. **Resolution 3**
[See Explanatory Note 1(a)]

4. To re-elect the following Directors who will retire by rotation in accordance with Regulation 89 of the Constitution of the Company and who, being eligible, have offered themselves for re-election.
4.1 Ms Ng Bee Bee **Resolution 4**
4.2 Mr Soh Ee Beng **Resolution 5**
[See Explanatory Note 1(b)]

5. To approve the payment of Directors' Fees of $289,500 for the financial year ending 31 December 2025 (2024: $377,500). **Resolution 6**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions with or without any modifications:

6. Authority To Issue Shares **Resolution 7**
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 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 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;

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Notice Of Annual General Meeting (continued)

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 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 the earlier.
[See Explanatory Note 2]

7. Renewal Of Share Buyback Mandate **Resolution 8**
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 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 of 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 the 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.
[See Explanatory Note 3]

8. To approve 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: **Resolution 9**
Mr Soh Ee Beng
Mr Fong Yue Kwong
[See Explanatory Note 4]

9. Appointment of Auditor **Resolution 10**
That:

a Deloitte & Touche LLP be and is hereby appointed as the auditor of the Company in place of Ernst & Young LLP and to hold office until the conclusion of the next annual general meeting of the Company, and the directors of the Company (the Directors) be authorised to fix the terms of their remuneration (the Proposed Change of Auditor); and

b the Directors and each of them be and are hereby authorised and empowered to complete and to do all such acts and things (including without limitation, executing all such documents as may be required) as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Proposed Change of Auditor.
[See Explanatory Note 5]

ANY OTHER BUSINESS
10. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Kevin Cho
Company Secretary

Singapore
8 April 2025

Explanatory Notes
1. The Board of Directors, in consultation with the Nominating Committee, recommends to members the re-election of Mr Chan Wan Hong, Ms Ng Bee Bee and Mr Soh Ee Beng as Directors of the Company:

(a) Mr Chan Wan Hong was appointed as an Independent Director of the Company on 15 July 2024. Regulation 88 of the Constitution provides that a person appointed by the Directors shall hold office until the next AGM and shall be eligible for re-election.

Mr Chan Wan Hong (Independent Director) has consented to his re-election as a Director of the Company. If re-elected, he will remain as a member of the Audit Committee and the Remuneration Committee. Mr Chan is considered independent for the purposes of Rule 704(8) of the Listing Manual.

(b) Regulation 89 of the Constitution provides that every director shall retire from office at least once every three (3) years. A retiring director shall be eligible for re-election.

Ms Ng Bee Bee (Executive Chairman) has consented to her re-election as a Director of the Company. If re-elected, she will remain as the Executive Chairman of the Board and Chairman of the Executive Committee.

Mr Soh Ee Beng (Independent Director) has consented to his re-election as a Director of the Company. If re-elected, he will remain as the Chairman of the Nominating Committee, Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Soh is considered independent for the purposes of Rule 704(8) of the Listing Manual.

Detailed information of Mr Chan Wan Hong, Ms Ng Bee Bee and Mr Soh Ee Beng can be found under the "Board of Directors" and "The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of directors seeking re-election at the coming Annual General Meeting" in the Report on Corporate Governance in the Company's Annual Report 2024.

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Notice Of Annual General Meeting (continued)

Explanatory Notes

2. Resolution 7, if passed, will empower the directors of the Company, from the date of the passing of Resolution 7 to the date of the next Annual General Meeting to issue Shares and/or to make or grant Instruments that might require Shares to be issued, and to issue Shares in pursuance of such Instruments, up to a limit of 50 per centum (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, with a sub-limit of 10 per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) for issues made other than on a pro rata basis to shareholders, calculated as described in Resolution 7.

   Although the Constitution and the Listing Manual enable the Company to seek a mandate to permit its directors to issue Shares up to a limit of 50 per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) if made on a pro rata basis to shareholders, and up to a sub-limit of 20 per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) for issues made other than on a pro rata basis to shareholders, the Company is nonetheless only seeking a sub-limit of 10 per centum (10%) for issues made other than on a pro rata basis to shareholders. The directors believe that the lower limit sought for the issuance of Shares made other than on a pro rata basis to shareholders is adequate for the time being as it sufficiently addresses the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution. The directors will review this limit annually.

3. Resolution 8, if passed, is to renew the Share Buyback Mandate that will empower the directors of the Company to exercise all powers of the Company to purchase or otherwise acquire issued and fully paid ordinary Shares on the terms and subject to the conditions of Resolution 8. Please refer to the Letter to Shareholders dated 8 April 2025 for details.

4. In recognition of the strategic leadership, efforts and contribution by the non-executive directors for the financial year ended 31 December 2024, the Company wishes to reward these eligible non-executive directors with the fully paid shares. If Resolution 9 is passed, the fully paid shares of the Company to be awarded to the named non-executive directors will be vested immediately and released to them as soon as practicable.

5. Resolution 10, if passed, is to approve the appointment of Deloitte & Touche LLP as the auditor of the Company in place of the retiring auditor Ernst & Young LLP (EY), and to authorise the directors to fix the terms of their remuneration. EY has served as external auditor of the Company for 33 years, since 1992. As part of the Company's ongoing good corporate governance initiatives, the directors are of the view that it is appropriate to effect a change of external auditor of the Company with effect from the financial year ending 31 December 2025. Deloitte & Touche LLP was selected for the proposed appointment after the Audit Committee invited and evaluated competitive proposals from various audit firms. EY, the retiring auditor, will cease to be the auditor of the Company with effect from the conclusion of the AGM. Please refer to the Letter to Shareholders dated 8 April 2025 for more details.

Notes

(1) The members of the Company are invited to attend the 33rd Annual General Meeting (AGM) physically. There will be no option for shareholders to participate virtually.

The Notice of AGM, Proxy Form, Annual Report, Letter to Shareholders dated 8 April 2025 (Letter), Request form to request for a physical copy of the Annual Report and the Letter (Request Form) and Sustainability Report have been published at the Company's website at the URL https://panunited.listedcompany.com/home.html and on SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice, Proxy Form and Request Form will also be sent by post to members.

(2) Members (including CPFIS and SRS investors) may participate in the AGM by:

(a) attending the AGM in person;

(b) raising questions at the AGM or submitting questions in advance of the AGM; and/or,

(c) voting at the AGM
  (i) themselves personally; or
  (ii) through their duly appointed proxy(ies).

CPFIS and SRS investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2025, being seven (7) working days prior to the date of the AGM.

(3) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

Notes

(4) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(5) A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

(6) A proxy need not be a member of the Company.

(7) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

(i) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

(ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at srs.proxy@boardroomlimited.com

in either case, by 10.00 a.m. on 21 April 2025, being no later than 72 hours before the time appointed for the Annual General Meeting.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form before submitting it by post to the address provided above, or by email to the email address provided above.

(8) Members can submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 5.00 p.m. on 15 April 2025:

(a) by email to srs.teamd@boardroomlimited.com

(b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632.

When sending in your questions, please also provide us with the following details:

- your full name;
- your address; and
- the manner in which you hold shares in Pan-United (e.g., via CDP, CPF or SRS).

We will endeavour to address substantial and relevant questions received by 15 April 2025 deadline from shareholders, via publication on the Company's corporate website and on the SGXNET by 19 April 2025.

We will address any subsequent substantial and relevant questions which are received after 15 April 2025 submission deadline, as well as those substantial and relevant questions raised at the AGM, at the AGM itself.

(9) The Annual Report 2024 and the Letter to Shareholders dated 8 April 2025 in relation to (1) the proposed renewal of the share buyback mandate; and (2) the proposed change of auditor of the Company from Ernst & Young LLP to Deloitte & Touche LLP have been published on our corporate website, and may be accessed as follows:

(a) the Annual Report 2024 may be accessed at the URL https://panunited.listedcompany.com/home.html by clicking on the link for "Annual Report 2024"; and

(b) the Letter to Shareholders dated 8 April 2025 may be accessed at the URL https://panunited.listedcompany.com/home.html by clicking on the link for "Letter to Shareholders".

(10) The Company will publish the Minutes of the AGM on our corporate website and on SGXNET within one month after the date of AGM.

Notice Of Annual General Meeting (continued)

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Record and payment dates for final dividend

The Share Transfer Books and Register of Members of the Company will be closed on 7 May 2025 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 by 5.00 p.m. on 7 May 2025 will be registered before entitlements to the proposed final dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 May 2025 will be entitled to the proposed final dividend. The final dividend, if approved at the forthcoming Annual General Meeting, will be paid on 16 May 2025.

PanUnited

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