PAN-UNITED CORPORATION LTD

(Company Reg No: 199106524G)

FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	1Q 2012 $'000	1Q 2011 $'000	+/(-) %
Revenue	**162,232**	**101,622**	**60**
Other income	820	1,156	(29)
Raw materials, subcontract costs and other direct costs	(125,190)	(74,335)	68
Staff costs	(6,920)	(5,682)	22
Depreciation expenses	(5,253)	(4,760)	10
Other expenses	(10,638)	(6,993)	52
Finance costs	(1,182)	(1,137)	4
	13,869	**9,871**	**41**
Share of results of associates	360	292	23
Profit before income tax	**14,229**	**10,163**	**40**
Income tax	(3,109)	(2,164)	44
Profit for the period, net of tax	**11,120**	**7,999**	**39**
Profit attributable to:			
Equity holders of the Company	9,531	6,177	54
Non-controlling interests	1,589	1,822	(13)
	11,120	**7,999**	**39**

Notes to the income statement

A. Profit before income tax is arrived at after crediting/ (charging) the following:	Group		
	1Q 2012 $'000	1Q 2011 $'000	+/(-) %
Interest income from external parties	129	99	30
Interest expense on bank loans	(1,151)	(1,110)	4
Dividend income from investments	28	1,040	(97)
Write-back for doubtful debts on trade receivables	106	-	nm
Stocks written down	(74)	-	nm
Foreign exchange gain/(loss)	103	(47)	nm
Fair value adjustments on investments held for trading	209	67	nm
Write-off of vessels, property, plant and equipment	(243)	(274)	(11)

nm: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Mar 2012 $'000	31 Dec 2011 $'000	31 Mar 2012 $'000	31 Dec 2011 $'000
Non-current assets				
Vessels, property, plant and equipment	271,284	272,162	515	488
Subsidiaries	-	-	81,275	87,062
Associates	4,436	4,618	-	-
Other investments	17,628	17,426	182	181
Other receivables	310	340	-	-
Goodwill	2,345	2,345	-	-
	296,003	296,891	81,972	87,731
Current assets				
Cash and cash equivalents	99,390	91,191	70,712	67,952
Trade and other receivables	136,430	121,782	4,454	2,260
Prepayments	1,884	1,139	49	73
Work-in-progress	570	884	-	-
Inventories	12,342	16,007	-	-
	250,616	231,003	75,215	70,285
Current liabilities				
Payables and accruals	93,502	85,686	1,897	2,332
Deferred income	5,615	5,000	-	-
Provisions	2,409	2,470	-	-
Income tax payable	10,205	7,872	-	-
	111,731	101,028	1,897	2,332
Net current assets	138,885	129,975	73,318	67,953
Non-current liabilities				
Bank loans	71,000	73,130	-	-
Deferred tax liabilities	6,371	6,328	-	-
Deferred income	1,752	1,805	-	-
Other liabilities	552	1,145	-	-
Provisions	3,450	3,450	-	-
	83,125	85,858	-	-
Net assets	**351,763**	**341,008**	**155,290**	**155,684**
Equity attributable to equity holders of the Company				
Share capital	88,104	88,104	88,104	88,104
Reserves	218,332	210,063	67,186	67,580
	306,436	298,167	155,290	155,684
Non-controlling interests	45,327	42,841	-	-
Total equity	**351,763**	**341,008**	**155,290**	**155,684**

Explanatory Notes to Statement of Financial Position

The higher cash and cash equivalents was due mainly to the increase in net cash flows generated from operating activities and deposit received from disposal of vessels.

The increase in trade receivables and trade payables was in line with the Group's higher level of business activity during the quarter.

1(b) (ii) Aggregate amount of group's borrowings and debt securities.

	As at 31 Mar 2012		As at 31 Dec 2011	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	-	-	-	-
	Secured $'000	**Unsecured** $'000	**Secured** $'000	**Unsecured** $'000
Amount repayable after one year	-	71,000	-	73,130

Details of any collateral

Nil.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1Q 2012	1Q 2011
	$'000	$'000
Cash flows from operating activities		
Profit before income tax	14,229	10,163
Adjustments for:		
Depreciation expenses	5,253	4,760
Dividend income from other investments	(28)	(1,040)
Interest expense, net	1,022	1,011
Loss on write-off of vessels, property, plant and equipment	243	274
Stocks written off	74	-
Provisions	-	(85)
Changes in fair value of financial instruments	(209)	(67)
Share based payment expenses	37	43
Share of results of associated companies	(360)	(292)
Foreign exchange differences	312	177
Operating cash flows before working capital changes	20,573	14,944
(Increase) Decrease in:		
Trade receivables and other receivables	(14,618)	(2,017)
Prepayments	(745)	(181)
Inventories and work-in-progress	3,905	(3,696)
Increase (Decrease) in:		
Trade payables and accruals	1,705	(801)
Deferred income	562	253
Cash flow generated from operating activities	11,382	8,502
Interest paid	(1,151)	(1,110)
Income tax paid	(733)	(507)
Interest received	129	99
Net cash flows generated from operating activities	9,627	6,984
Cash flows from investing activities		
Acquisition of vessels, property, plant and equipment	(8,988)	(1,716)
Acquisition of long term investment	(2)	-
Proceeds from disposal of vessels, property, plant and equipment	32	65
Deposits received in relation to disposal of vessels	6,050	-
Proceeds from disposal of short term investments	-	1,272
Dividend income from associated companies	404	-
Dividend income from other investments	28	1,040
Net cash flows (used in)/from investing activities	(2,476)	661
Cash flows from financing activities		
Net repayment of bank borrowings	-	(5,150)
Proceeds from issuance of share capital	-	187
Contribution from non-controlling interests	1,530	-
Net cash from/(used in) financing activities	1,530	(4,963)
Net increase in cash and cash equivalents	8,681	2,682
Cash and cash equivalents as at beginning of period	91,191	94,190
Effects of exchange rate changes on opening cash and cash equivalents	(482)	(320)
Cash and cash equivalents as at end of period	99,390	96,552

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	1Q 2012	**1Q 2011**	**+/(-)**	**YTD 2012**	**YTD 2011**	**+/(-)**
	$'000	$'000	%	$'000	$'000	%
Profit for the period, net of tax	**11,120**	**7,999**	**39**	**11,120**	**7,999**	**39**
Other comprehensive income:						
Foreign currency translation	(2,504)	(1,247)	nm	(2,504)	(1,247)	nm
Other comprehensive income for the period, net of tax	**(2,504)**	**(1,247)**	**nm**	**(2,504)**	**(1,247)**	**nm**
Total comprehensive income for the period	**8,616**	**6,752**	**28**	**8,616**	**6,752**	**28**
Total comprehensive income attributable to:						
Equity holders of the Company	8,232	5,511	49	8,232	5,511	49
Non-controlling interests	384	1,241	(69)	384	1,241	(69)
	8,616	**6,752**	**28**	**8,616**	**6,752**	**28**

STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
GROUP	**Share capital**	**Capital reserve ***	**Foreign currency translation reserve**	**Accumulated Profits**	**Other reserves**	**Total reserves**		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2012	88,104	3,000	(1,873)	208,197	739	210,063	42,841	341,008
Total comprehensive income for the period	-	-	(1,299)	9,531	-	8,232	384	8,616
Cost of share-based payment (share options)	-	-	-	-	37	37	-	37
Incorporation of subsidiary	-	-	-	-	-	-	2,102	2,102
Balance at 31 March 2012	**88,104**	**3,000**	**(3,172)**	**217,728**	**776**	**218,332**	**45,327**	**351,763**
Balance at 1 January 2011	87,843	3,000	(4,301)	194,520	602	193,821	37,098	318,762
Total comprehensive income for the period	-	-	(666)	6,177	-	5,511	1,241	6,752
Cost of share-based payment (share options)	-	-	-	-	43	43	-	43
Issue of shares under share option plan	229	-	-	-	(42)	(42)	-	187
Balance at 31 March 2011	**88,072**	**3,000**	**(4,967)**	**200,697**	**603**	**199,333**	**38,339**	**325,744**

Note
* The capital reserve comprises the reserve fund, enterprise expansion fund and staff welfare fund transferred from retained earnings by an overseas subsidiary in compliance with statutory requirements.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPANY	Share capital	Accumulated profits	Other reserves	Total reserves	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2012	88,104	66,841	739	67,580	155,684
Total comprehensive income for the period	-	(431)	-	(431)	(431)
Cost of share-based payment (share options)	-	-	37	37	37
Balance at 31 March 2012	**88,104**	**66,410**	**776**	**67,186**	**155,290**
Balance at 1 January 2011	87,843	68,552	602	69,154	156,997
Total comprehensive income for the period	-	(334)	-	(334)	(334)
Cost of share-based payment (share options)	-	-	43	43	43
Issue of shares under share option plan	229	-	(42)	(42)	187
Balance at 31 March 2011	**88,072**	**68,218**	**603**	**68,821**	**156,893**

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares options or warrants conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

	1Q 2012 ended 31 Mar 2012	4Q 2011 ended 31 Dec 2011
Issued and fully paid ordinary shares :		
As at beginning of period	556,029,160	555,957,160
Issued during the period - Exercise of share options	-	72,000
As at end of period	556,029,160	556,029,160
	As at 31 Mar 2012	**As at 31 Dec 2011**
The number of shares that may be issued on exercise of share options outstanding at the end of the period	9,555,000	9,555,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Mar 2012	As at 31 Dec 2011
Total number of issued shares	556,029,160	556,029,160
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	556,029,160	556,029,160

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

3 Where the figures have been audited or reviewed the auditors' report (including any qualification or emphasis of matter).

Not applicable.

4 Whether the same accounting polices and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2011, except as disclosed in note 5 below.

5 If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed as well as the reasons for and the effect of the change.

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2012. The adoption of these new/revised FRS does not have any material impact to the Group financial statements.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on equity holders of the company	Quarter ended 31 March		
	2012	2011	Change
Based on weighted average number of ordinary shares in issue (in cents)	1.7	1.1	55%
On a fully diluted basis (in cents)	1.7	1.1	55%

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on (b) immediately preceding financial year.

	Group	Company
Net asset value per ordinary share based on issued share capital at 31 March 2012 (in cents)	55.1	27.9
Net asset value per ordinary share based on issued share capital at 31 December 2011 (in cents)	53.6	28.0

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Review of 1Q 2012 Performance

The Group's attributable profit after tax to shareholders grew significantly by 54% year-on-year (yoy) to $9.5 million, largely due to higher contributions from Basic Building Materials (BBM) division and smaller losses from Shipping division.

All three business divisions enjoyed higher activity levels and they lifted Group revenue to $162.2 million, an increase of 60% over the previous corresponding period.

The BBM division recorded improved sales volume of its basic building materials arising from increased demand as well as higher selling prices, which rose in tandem with the increase in the prices of raw materials and diesel.

The Port division handled higher volumes of pulp, paper and container cargoes as well as registered higher warehousing income. A normalised corporate tax rate of 25%, which took effect from 1 January 2012 following the expiry of a 10-year concessionary tax rate of 12% in FY 2011, higher staff and maintenance costs and higher interest expenses reduced its profitability.

The Shipping division trimmed its losses in the quarter by improving fleet utilisation and efficiency.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The BBM division expects increased sales volume of its basic building materials in line with the Singapore Building Construction Authority's higher construction output projection of $30.0 billion for 2012.

In the Port division, the Group will look to further diversifying its cargo base, which will increase the utilisation of Changshu Xinghua Port.

For the Shipping division, the Group will continue to focus on improving fleet utilisation. As announced on 25 April 2012, the Group has divested three pairs of tugboats and barges with a disposal gain of $2.2 million to be recognised in 2Q 2012.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable:

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared for the quarter ended 31 March 2012.

13 If the Group has obtained a general mandate from shareholders for interested person transactions ('IPT'), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions. There was no interested person transaction as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the period ended 31 March 2012.

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the quarter ended 31 March 2012 to be false or misleading.

BY ORDER OF THE BOARD

Loh Yeen Ying
Company Secretary
9 May 2012