PanUnited

Shaping the Future in Concrete Technology

Pan-United Corporation Ltd

ANNUAL REPORT 2023

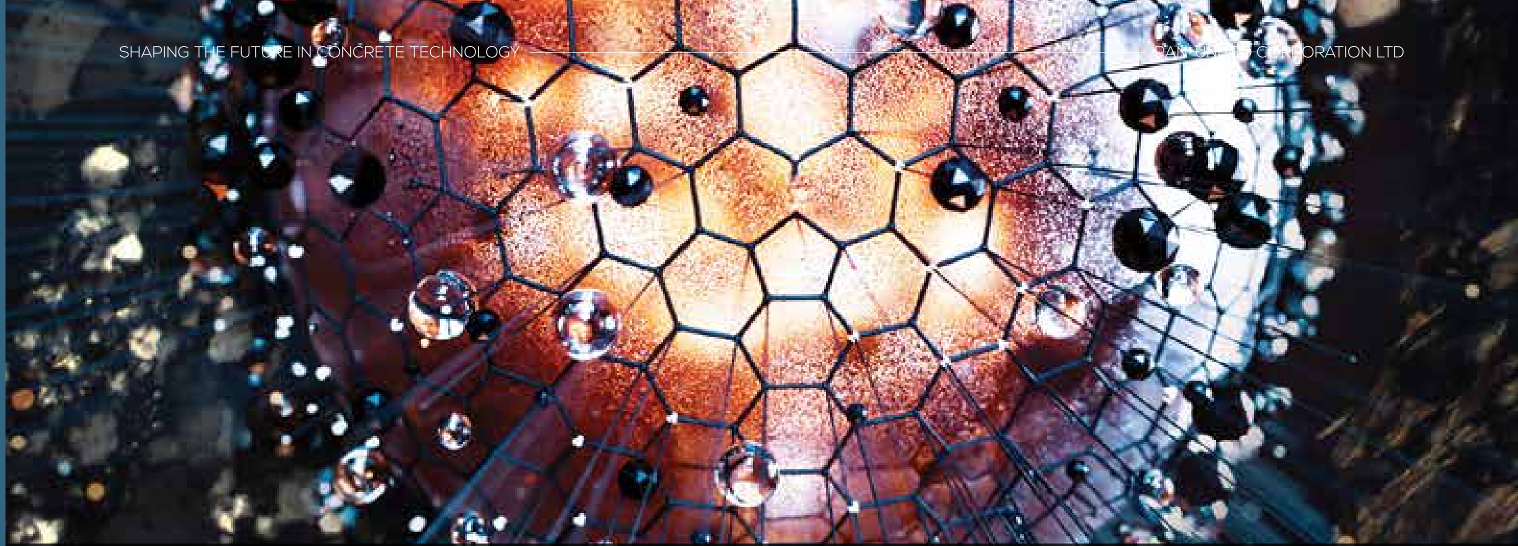
Contents

Shaping the Future in Concrete Technology

Incorporating technology within concrete, such as the embedding of CO2, is akin to weaving transformative impacts into the fabric of society.

These are innovations transcending traditional thinking, and address climate change by mitigating the environmental footprint of construction. The result is a sustainable building process that not only contributes to carbon neutrality and strengthens infrastructure, but also weaves a tapestry of environmental responsibility, fostering awareness and creating sustainable practices.

It aligns with our ethos of a company mindful of its ecological impact, an organisation that promotes a resilient and harmonious coexistence with the planet through the responsible use of breakthrough technology and digital transformation.



PanUnited

Singapore-listed Pan-United Corporation (SGX:P52) is a global leader in low-carbon concrete technologies catalysing change in the concrete space. Focused on concrete innovation and sustainability, it is one of Asia's largest producers of low-carbon concrete, backed by world-class inhouse R&D capabilities and advanced digital technologies.

Pan-United firmly believes in concrete as an engineered product that can play a significant role in decarbonising the environment, so as to ensure a safer world for future generations.

Over two decades, the company has transformed into a technology company with deep domain knowledge and advanced digital capabilities. It is constantly developing high-performance solutions and adopting new technologies to stay ahead of the sustainability curve.

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

Group Financial Summary

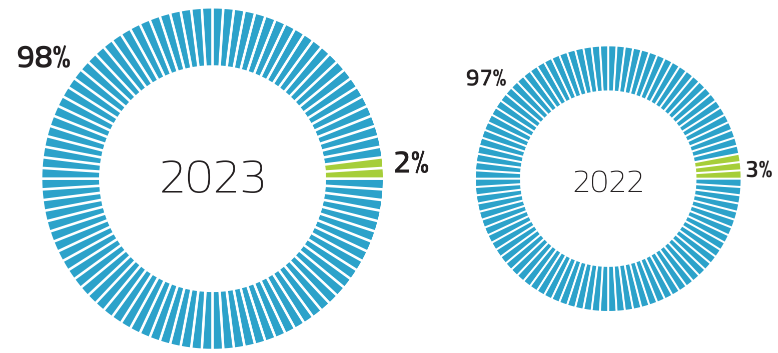
	2023 $'000	2022 $'000	+/(-) %
Financial Results			
Continuing operations			
Revenue	774,138	703,261	10
Earnings before interest, tax, depreciation and amortisation (EBITDA)	67,992	51,510	32
Profit before taxation	45,331	33,806	34
Profit after taxation	35,678	27,747	29
Profit attributable to equity holders of the Company (PATMI)	35,617	27,515	29
Discontinued operation			
Loss after taxation	(1,147)	(5,206)	(78)
Loss attributable to equity holders of the Company (PATMI)	(1,320)	(4,165)	(68)
Total			
Profit after taxation	34,531	22,541	53
Profit attributable to equity holders of the Company (PATMI)	34,297	23,350	47
Financial Position			
Shareholders' funds	231,819	211,423	10
Non-controlling interests	5,744	6,972	(18)
Total equity	237,563	218,395	9
Total assets	453,882	421,356	8
Total liabilities	216,319	202,961	7
Per share data			
Basic earnings (in cents) (note 1)			
From continuing operations	5.12	3.94	30
Total attributable to equity holders of the Company	4.93	3.34	48
Diluted earnings (in cents) (note 2)			
From continuing operations	5.11	3.93	30
Total attributable to equity holders of the Company	4.92	3.34	47
Net asset value as at 31 December (in cents)	33.30	30.30	10
Return on shareholders' funds (note 3)	15.5%	11.2%	38
Return on property, plant and equipment (note 3)	21.9%	14.2%	54
Net gearing ratio	-	0.02	NM

Notes
1. The calculation for basic earnings per share is based on 695,816,725 (2022: 698,582,625) weighted average number of shares in issue during the year.
2. The calculation for diluted earnings per share is based on 696,849,261 (2022: 699,623,902) 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

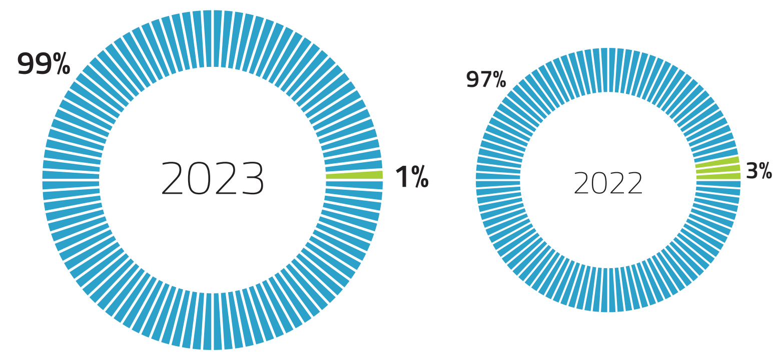
Revenue from Continuing operations



Revenue ($'m)	2023	2022
Concrete & Cement	756.64	684.83
Trading & Shipping	17.50	18.43
Total - Continuing operations	**774.14**	**703.26**

EBITDA

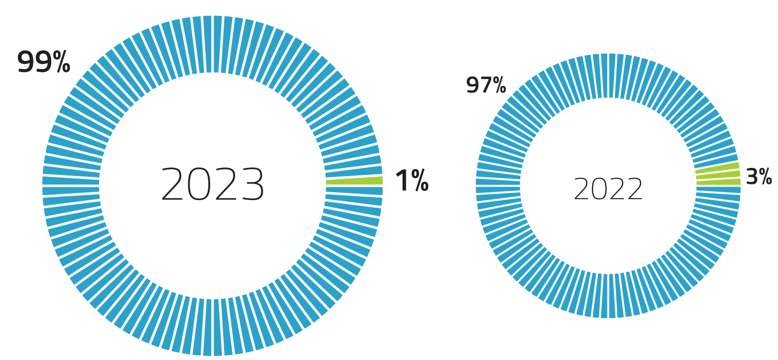
(Continuing operations excluding Others)



EBITDA ($'m)	2023	2022
Concrete & Cement	69.01	54.07
Trading & Shipping	0.98	1.55
Others	(2.00)	(4.11)
Total - Continuing operations	**67.99**	**51.51**

PATMI

(Continuing operations excluding Others)



PATMI ($'m)	2023	2022
Concrete & Cement	38.13	27.87
Trading & Shipping	0.40	0.91
Others	(2.91)	(1.27)
Total - Continuing operations	**35.62**	**27.51**

Chairman's Message

Dear Shareholders,

2023 was a busy year for Pan-United Corporation. We caught up with the backlog of work caused by COVID-19 and built a pipeline of new projects while navigating macro headwinds and structural challenges.

The global economy continues to improve, but recovery remains slow and uneven. The current landscape is fraught with uncertainties brought about by ongoing geopolitical tensions, high inflation, higher interest rates and strain on supply chains. These factors add complexity to operations, increasing business and operational risks. Like many businesses, Pan-United is not immune to the adverse impacts of these macroeconomic challenges.

However, we believe that we are well-positioned to address stakeholder needs and capitalise on growth opportunities arising within our key markets, namely Singapore, Malaysia and Vietnam. Over the past 12 months, we have continued investing in managing our costs, capital and supply chains to offset these risks. The results for the financial year ended 31 December 2023 (FY2023) reflect the Group's efforts.

The opening of more Thomson-East Coast MRT stations, including at Tanjong Katong, in mid-2024 will make the East Coast highly accessible to other areas in Singapore. The Thomson-East Coast Line is one of Pan-United's infrastructure projects.

Pan-United turned in a strong set of results in FY2023. We recorded a revenue of $774.1 million for FY2023, a 10% increase from $703.3 million a year ago. Despite higher raw material, subcontracting and staff costs, EBITDA improved year-on-year to $68.0 million in FY2023. Total profit after tax and minority interests stood at $34.3 million, up 47% from $23.4 million reported in FY2022. We have maintained our net cash position as at 31 December 2023.

I am pleased to share that the Board has recommended a final ordinary dividend per share of 1.8 Singapore cents ($0.018) for FY2023, subject to shareholder approval at the upcoming Annual General Meeting on 26 April 2024. Together with the interim cash dividend of 0.5 Singapore cents ($0.005) paid out on 30 August 2023, our total cash dividend for FY2023 will be 2.3 Singapore cents ($0.023). This represents a dividend yield of 6.1% based on Pan-United's last transacted share price on 29 December 2023.

During the year, we continued to invest in concrete innovation and digitalisation. We also intensified our commitment to advocating for sustainability, recognising it as a pivotal facet of Pan-United's corporate responsibility. In particular, we advocated for the adoption of the whole-life carbon assessment, which will highlight the opportunities to reduce embodied carbon, as a more comprehensive approach to decarbonisation.

Pan-United signed a collaboration with Shell-backed Cleantech Solar in February 2024 to install 900 solar panels in our Singapore and Malaysia facilities. (L-R: Pan-United CEO, May Ng; Shell SVP for Distribution Operations & Midstream Trading and Supply, Richard Jory; Pan-United COO, Ken Loh; Cleantech Solar CFO, Brian Tan; Cleantech Solar Corporate Financing & Treasury Director, Clara Lim; and Chairman of Shell Companies in Singapore, Aw Kah Peng).

Embodied carbon refers to carbon emissions from the manufacture, transport and use of building materials in construction, while operational carbon refers to the carbon emissions associated with the operations of a building after it is completed.

While operational carbon can be mitigated over the lifetime of a building through smart lighting and cooling, embodied carbon cannot be reduced and is irreversible once a building is completed.

The Geneo, developed by CapitaLand, received the Environmental Product Declaration (EPD) for its use of specialised low-carbon concrete which helps to reduce embodied carbon. Artist's impression courtesy of CapitaLand.

MAKING HEADWAY IN SUSTAINABILITY EFFORTS

We continue to leverage our position as a global industry leader in low-carbon concrete technologies with a clear focus on reducing embodied carbon emissions. Pan-United's purpose to "Decarbonise the World with Concrete" aligns with our sustainability targets to supply only low-carbon concrete by 2030*, offer carbon-neutral concrete by 2040, and be a carbon-neutral company by 2050.

In February 2024, we announced a partnership with Shell-backed Cleantech Solar to install 900 solar panels on the rooftops of our facilities in Singapore and Malaysia. This makes Pan-United a frontrunner in Singapore's concrete industry for reducing carbon emissions using solar energy.

This initiative is part of an ongoing three-year memorandum of understanding signed in 2021 with Shell to explore decarbonisation solutions in the construction and urban solutions industries. Pan-United and Shell will continue identifying opportunities in areas such as electric mobility solutions, circular use of materials, and other digitalisation-enabled solutions.

Pan-United also supplied low-carbon concrete to CapitaLand for its construction of the Geneo building at 7 Science Park Drive, helping the project to reduce its embodied carbon footprint.

TECHNOLOGY – AN ENABLER AND A NEW REVENUE STREAM

Our team is actively marketing our AiR Digital system to industry peers locally and overseas with the aim of boosting supply chain efficiency and creating a new revenue stream. We believe AiR Digital is an industry game changer and will continue to engage peers and prospects to encourage its adoption.

CONTRIBUTING TO THE COMMUNITY

In recognition of our contributions to heritage causes, Pan-United received the Partner Award from the National Heritage Board at its Patron of Heritage Awards 2022. Pan-United provided self-compacting concrete to form the platform base of the AMX-13 SM1 tank display at the National Museum of Singapore, as well as a 3D-printed 12-letter concrete art installation for the Singapore Night Festival in 2022 and 2023.

* A 50% reduction in CO2 compared to 2005 levels

"Construction demand will be supported by a steady pipeline of projects in the public sector, which is set to contribute 55% of the total demand in Singapore."

To encourage emerging talent, Pan-United co-sponsored the Nanyang Technological University (NTU) Bridge Design Competition 2023, organised by the Civil and Environmental Engineering Club of NTU. This event drew more than 130 teams from around the world.

2024 AND BEYOND

The Building & Construction Authority (BCA) has forecasted[1] that construction demand in Singapore for 2024 is expected to range between $32 billion and $38 billion. Construction output is likely to remain robust within the range of $34 billion to $37 billion. BCA's estimates indicate that the volume of ready-mix concrete will reach between 12 million cubic metres (m^3) and 13 million m^3 in 2024, comparable to 12.3 million m^3 in 2023.

Construction demand will be supported by a steady pipeline of projects in the public sector, which is set to contribute 55% of the total demand in Singapore. Private sector construction demand in 2024 is anticipated to come mainly from residential developments under the Government Land Sales, redevelopment of commercial premises, as well as the development of mixed-used properties and industrial facilities.

Our business performances have consistently reached or exceeded expectations every year, and this record is something we take pride in. While delivering shareholder value remains our utmost priority, we are also aware of the growing importance of the pressing issues around sustainability.

We will spare no effort to enhance sustainability, particularly in the areas of research and innovation.

We are excited to work with like-minded partners and customers to increase the prominence of sustainable building practices and materials to reduce embodied carbon.

WITH GRATITUDE

This report closes my fourth and final year as Chairman of the Board of Pan-United after a rewarding 19-year journey with the Company.

I would like to express my appreciation to my fellow Pan-United Board members for their commitment and guidance as we navigate the uncertain macro and operational environment. I would like to thank our valued customers, partners and shareholders for their continued vote of confidence in Pan-United. Finally, my sincere appreciation goes to all Pan-United employees for your convictions and contributions to the company. I am confident that Pan-United will achieve greater heights as a trailblazer in the local, regional and global built environment.

Yours sincerely,

Tay Siew Choon
Chairman

[1] https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024

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%**
  - **100%** United Cement Pte Ltd
  - **49%** Raffles Cement Pte Ltd
  - **100%** Meridian Maplestar Sdn Bhd

TECHNOLOGY

- Pan-United Technologies Pte Ltd **100%**
  - **97%** GoTruck Pte Ltd
- AiR Digital Solutions Pte Ltd **100%**

TRADING

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

Financial Calendar

- DECEMBER 2023 — 31 December 2023 Financial Year End
- FEBRUARY 2024 — 07 February 2024 Announcement of 2023 results
- APRIL 2024 — 26 April 2024 Annual General Meeting
- MAY 2024 — 17 May 2024 Payment of final dividend
- JULY/ AUGUST 2024 — July/August 2024 Announcement of 2024 Half-year results

Corporate Information

Board of Directors

Chairman, Independent Director
Tay Siew Choon

Deputy Chairman, Executive Director
Patrick Ng Bee Soon

Chief Executive Officer
Ng Bee Bee

Non-Executive Director
Jane Kimberly Ng Bee Kiok

Independent Directors
Soh Ee Beng
Fong Yue Kwong

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

Tay Siew Choon
Chairman
Independent Director

Mr Tay Siew Choon has been the Chairman of Pan-United Corporation Ltd since June 2020. He has been an Independent Director of the Company since February 2005. Mr Tay is also the Chairman of GoTruck Pte Ltd, a subsidiary of the Company, since 2018.

Mr Tay has held top echelon management positions in several listed companies and has extensive local and overseas experience. He was Managing Director and Chief Operating Officer of Singapore Technologies Pte Ltd until March 2004. Mr Tay is currently the Deputy Chairman of TauRx Pharmaceuticals Ltd and a director of TauRx Therapeutics Ltd, Straco Corporation Ltd and WisTa Laboratories Ltd.

Mr Tay holds a Bachelor of Engineering (Electrical) Honours degree as a Colombo Plan scholar from Auckland University, New Zealand and a Master of Science in Systems Engineering from the University of Singapore (now National University of Singapore).

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 a non-executive director of Zhuhai Harbour (Singapore) Company., Limited (fka Xinghua Port Holdings Ltd).

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

Ng Bee Bee
Chief Executive Officer

Ms Ng Bee Bee has been the CEO of Pan-United Corporation Ltd since March 2011.

She was previously the Executive Director of the Group from January 2004 to February 2011. Ms Ng sits on the boards of several subsidiaries in the Group. She 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.

Soh Ee Beng
Independent Director

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

Mr Soh has 25 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 was the Managing Director and Head of Advisory for South East Asia at The Hongkong and Shanghai Banking Corporation Ltd. Prior to that, Mr Soh 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.. Mr Soh currently serves as senior advisor at Houlihan Lokey.

Mr Soh was previously an independent non-executive director of Xinghua Port Holdings Ltd.

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

Jane Kimberly Ng Bee Kiok
Non-Executive Director

Ms Jane Kimberly Ng Bee Kiok has been a Non-Executive Director of Pan-United Corporation since March 2021.

Ms Ng was previously an Executive Director of the Company from March 2009 to February 2018. She started her career in the Pan-United Group in 1988 and held various executive positions, including Group Financial Controller from 1997 to 2002 and General Manager (Special Projects) from 2002 to 2004. She left the Company in 2004 to become an Executive Director of Pan-United Marine Limited.

In connection with the demerger of Xinghua Port Holdings Ltd (Xinghua Port) as a separate listed company in February 2018 on The Stock Exchange of Hong Kong Limited, she relinquished her position in the Company and became an Executive Director of Xinghua Port until September 2020.

Ms Ng graduated *summa cum laude* with a Bachelor of Science degree from the University Of Oregon, United States of America.

Fong Yue Kwong
Independent Director

Mr Fong Yue Kwong has been an Independent Director of Pan-United Corporation Ltd since March 2020.

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.

SHAPING THE FUTURE IN CONCRETE TECHNOLOGY
PAN-UNITED CORPORATION LTD

Performance Review

DECARBONISING THE WORLD WITH CONCRETE INNOVATION AND DIGITAL TRANSFORMATION

Pan-United first declared our three-pronged sustainability goals in 2021. We are on track to meet our goals of offering only low-carbon concrete by 2030, carbon-neutral concrete by 2040, and to be a carbon-neutral company by 2050. We continue to research and develop specialised concrete solutions and technologies in our role as an industry leader committed to decarbonising the built environment.

Singapore

The Building and Construction Authority[1] (BCA) reported that preliminary construction demand in 2023 reached $33.8 billion, supported by a wide range of projects that came onstream including infrastructural, industrial, commercial and residential developments. Construction demand from the public sector in 2023 accounted for $19.5 billion, boosted by major infrastructure projects such as Phases 1 and 2 of the Cross-Island MRT Line, as well as healthcare and public housing projects. Private sector construction demand improved to $14.3 billion in 2023 mainly due to more residential projects. Integrated developments and major hotel refurbishment works helped to boost demand.

Construction activity picked up steadily over the year in review to ensure the continuous demand for Pan-United concrete types. These include:

- Infrastructure projects such as Tuas Port, North-South Corridor, Thomson-East Coast Line, Cross-Island Line, Changi East Development, Rapid Transit System Link, Jurong Region Line and Tuas Water Reclamation Plant
- Commercial developments such as 8 Shenton Way (formerly AXA Tower), which will be the tallest building in Singapore upon completion, Shaw Tower and Mandai Resort
- Industrial projects such as the Integrated Business Park Development and Singapore Institute of Technology Campus in Punggol Digital District
- Healthcare projects such as the new Singapore General Hospital building, the new National Skin Centre building and Integrated HealthCity Novena

In October 2023, Pan-United subsidiary United Cement made history at Jurong Port by importing 52,000 tonnes of cement carried in the largest bulk vessel ever to berth at the port since the port commenced operations in 1966.

Another feather in our cap in October was when our Group Head of Corporate Development, Jim Teh, was named the Best Chief Financial Officer for small-cap companies at the Singapore Corporate Awards. These awards recognise listed companies for their corporate governance. The event was co-organised by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times, and supported by the Accounting and Corporate Regulatory Authority.

[1] https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024

Normanton Park at Buona Vista, Singapore.

Pan-United Group Head Corporate Development, Jim Teh (right), was named the Best Chief Financial Officer for small-cap companies at the Singapore Corporate Awards 2023.

For the year forward, in 2024, BCA forecasts[1] that Singapore's total construction demand will range between $32 billion and $38 billion. Public sector projects are expected to contribute about 55% of the demand. These include the Housing & Development Board's (HDB) new developments, infrastructure works for the upcoming Changi Airport Terminal 5, Tuas Port and other major road enhancement projects.

Meanwhile, private sector demand will be underpinned by new residential developments from Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial sites, and the development of mixed-used properties and industrial facilities.

Even as demand for concrete is expected to remain steady, the built environment will continue to focus on accelerating industry transformation and on achieving net-zero targets.

United Cement (UC), a Pan-United subsidiary, broke the record at Jurong Port by bringing in 52,000 tonnes of cement in the largest bulk carrier ever to berth at the port.

SHAPING THE FUTURE IN CONCRETE TECHNOLOGY — PAN-UNITED CORPORATION LTD

Malaysia

Fortis Star, our subsidiary in Malaysia, secured several projects across the commercial, industrial and residential sectors. In 2023, Fortis Star continued to supply concrete to infrastructural projects such as the Tun Dr Lim Chong Eu Expressway-Air Itam bypass project in Penang and institutional projects such as the Sunway Medical Centre Damansara in Selangor.

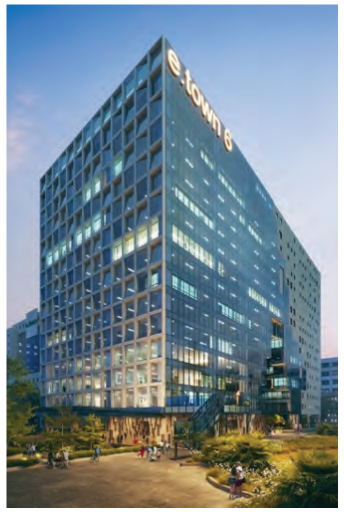
Veranda Residences in Johor Bahru.

M Luna in Kuala Lumpur.

Vietnam

FiCO Pan-United (FiCO PanU) continued to supply specialised concrete to various developments, including the Sun Tower. A mixed-development by CapitaLand, Sun Tower is located in Ba Son, District 1 of Ho Chi Minh City. The project is on track for completion in 2025.

FiCO PanU also supplied specialised PanU Green Mortar to e.town 6, the newest addition to the integrated e.town Campus in Ho Chi Minh City's Tan Binh business district.



Artist's Impression of e.town 6

Artist's Impression of The Sun Tower

FiCO PanU continued to supply concrete to The Sun Tower in 2023. The development is expected to be completed in 2025.

Advancing Industry Sustainabilty

We are installing 900 solar panels across our operations in Singapore and Malaysia through a partnership with Shell-backed Cleantech Solar. This makes Pan-United a frontrunner in Singapore's concrete industry for reducing carbon emissions using solar energy.

The Cleantech partnership comes under an ongoing three-year memorandum of understanding (MOU) signed with Shell in 2022 to explore decarbonisation solutions in the construction and urban solutions industries. Pan-United and Shell will continue to identify opportunities in areas such as electric mobility solutions, circular use of materials and other digitalisation-enabled solutions.

In January 2024, Pan-United signed an MOU with other industry leaders Chevron Singapore, Surbana Jurong, Keppel, Osaka Gas Singapore, Air Liquide Singapore and Pavilion Energy. The partners will explore low-carbon opportunities in line with Singapore's goal of achieving net-zero emissions by 2050. The collaboration includes exchanging ideas, sharing technical insights and R&D work.

Industry adoption of lower-carbon footprint concrete such as CO_2 Mineralised Concrete gained momentum. In January, CapitaLand's new Geneo building at 7 Science Park Drive received Pan-United's Environmental Product Declaration (EPD) for its use of specialised low-carbon concrete. An EPD ensures maximum transparency of the environmental impact of building materials used, by certifying the measure of their carbon footprint.

Pan-United COO, Ken Loh (third from right) at the MOU signing ceremony with industry leaders Chevron, Surbana Jurong, Keppel, Osaka Gas, Air Liquide and Pavilion Energy in January 2024 to collaborate and develop CCUS and hydrogen solutions.

Pan-United Concrete Director of Operations & Sustainability, Chan Wai Mun, received the Singapore Green Building Product Certification (4 Ticks) for our low-carbon concrete.

Raising Industry Awareness Of Decarbonisation And Digitalisation

In line with the World Green Building Council, Pan-United is actively involved in promoting industry awareness of the significance of whole-life carbon and how embodied carbon plays a key role in reducing carbon emissions. As an industry leader, we support the advocacy of digitalisation for a sustainable built environment.

In May 2023, Pan-United CEO May Ng (below) was a panellist at the BuildSG LEAD Summit organised by the Building and Construction Authority (BCA). Focusing on "Transforming the Built Environment Value Chain", she shared her insights on the importance of decarbonisation and digitalisation in the built environment.

Contributing To The Community

In October 2023, Pan-United received the Partner Award at the annual Patron of Heritage Awards organised by the National Heritage Board.

This is the third year Pan-United has provided an installation at the Singapore Night Festival, the first being an illuminating translucent concrete bench in 2018.

Pan-United also contributed to the tertiary education sector by co-sponsoring the Nanyang Technological University (NTU) Bridge Design Competition 2023. Organised by the NTU Civil and Environmental Engineering Club, more than 130 teams from around the world participated in this event.

Group Head of Communications, Linda Chee (middle, in blue top), represented Pan-United to receive the Partner Award at the Patron of Heritage Awards 2022 from Mr Edwin Tong, Minister for Culture, Community and Youth (middle).

The #SGNIGHTFEST installation by Pan-United at the Singapore Night Festival 2022 and 2023 featured 12 giant 3D-printed concrete letters produced in-house.

In November 2023, Pan-United pledged its commitment to the Corporate Governance Statement of Support during the Securities Investors Association (Singapore) Corporate Governance Week. This signifies our support for robust corporate governance practices to ensure responsible business conduct and standards. We also continue to pursue business opportunities that align with our green agenda while advocating the use of low-carbon building materials and technologies to decarbonise the built environment.

Pan-United was the sustainable concrete partner of the Swedish Chamber of Commerce, sponsoring CO_2 Mineralised Concrete for the new Green Innovation Centre in Bukit Batok.

Pan-United supplied CO_2 Mineralised Concrete for the new Green Innovation Centre at Bukit Batok. (L - R) Pan-United Concrete Director, Alvin Chan, at the opening ceremony on 8 June 2023 with Minister of State, Low Yen Ling; Member of Parliament, Murali Pillai; Embassy of Sweden Singapore Chargé d'Affaires, Jenny Egermark; and Sweden's Trade Commissioner to Singapore, Emil Akander.

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 2023 (FY2023) 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 six directors including three independent directors, namely:

i	Tay Siew Choon	– Chairman, Independent Director
ii	Patrick Ng Bee Soon	– Deputy Chairman, Executive Director
iii	Ng Bee Bee	– Chief Executive Officer
iv	Jane Kimberly Ng Bee Kiok	– Non-Executive Director
v	Soh Ee Beng	– Independent Director
vi	Fong Yue Kwong	– Independent Director

The profile of each director is set out on pages 10 and 11 of the Annual Report.

Mr Tay Siew Choon and Ms Jane Kimberly Ng Bee Kiok, who shall retire as directors pursuant to Regulations 89 and 90 of the Company's Constitution, have decided not to seek re-election at the upcoming Annual General Meeting.

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 others 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.

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 (SID). 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, organised by SID and other professional organisations. In FY2023, all the directors participated in a holistic tabletop exercise on cybersecurity crisis management, facilitated by external professionals. The CEO of the Company has completed the Top Executive Workplace Safety and Health Programme in January 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 comprises:

i Tay Siew Choon – Chairman
ii Patrick Ng Bee Soon
iii Ng Bee Bee

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)

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 FY2023 is set out as follows:

Name of director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
Total number of meetings	**5**	**4**	**1**	**1**	**1**
Tay Siew Choon	5	4	1	–	1
Patrick Ng Bee Soon	5	–	1	–	1
Ng Bee Bee	5	–	–	–	1
Jane Kimberly Ng Bee Kiok	5	4	–	1	1
Soh Ee Beng	5	4	1	1	1
Fong Yue Kwong	5	–	–	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 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 64 years old, with the range from 55 years old to 76 years old. The Company has 2 female directors 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 performed and informal reviews conducted, the Board has assessed and determined that the three non-executive directors, namely Messrs Tay Siew Choon, Soh Ee Beng and Fong Yue Kwong, 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, business acumen and management expertise. The Board is of the view that they contribute to the strong independent element of the Board.

Mr Tay Siew Choon who has served beyond an aggregate term of nine years from the date of his first appointment, continued in office as an independent non-executive director of the Company with the approval of the shareholders obtained through a two-tier voting process at the Company's AGM on 30 April 2021. According to the Singapore Exchange Regulation announced on 11 January 2023, Mr Tay Siew Choon continues to be deemed independent until the conclusion of the Company's annual general meeting (AGM) for financial year ended 31 December 2023, scheduled to be held on 26 April 2024. In accordance with Regulation 89 of the Constitution, Mr Tay will retire as a director of the Company at the AGM to be held on 26 April 2024 and will not seek for re-election. The Board acknowledges and recognises the benefits of the experience and stability brought by Mr Tay, as Chairman of the Board, with his valuable insight into the Company, its business, markets and industry gained over time during his tenure.

The NC is currently in the process of evaluating suitable candidates to join as independent non-executive directors of the Board.

The dates of the first appointment for the directors are set out on page 26 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 Chairman and CEO are separate and consist of two directors who have no familial relationship with each other. The Chairman is an independent director who bears responsibility for the workings of the Board and assists in enhancing the Company's corporate governance practices. The CEO is the executive director responsible for the day-to-day operations of the Group.

The 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 receives 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.

Given the clear separation of the roles of Chairman (Independent Non-Executive Director) and CEO of the Company, the Board is of the view that a lead independent director is not needed at present.

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 comprises four members, the majority of whom, including the NC Chairman, are non-executive independent directors, namely:

i Tay Siew Choon – Chairman
ii Patrick Ng Bee Soon
iii Soh Ee Beng
iv Fong Yue Kwong (Appointed 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;
- conduct rigorous review to determine the independence of any director who has served the Board beyond nine years since his first appointment;
- 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, there were no new directors being appointed and no external search consultants were engaged.

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
Tay Siew Choon	76	Chairman, Independent Director	01/02/2005	30/04/2021
Patrick Ng Bee Soon	61	Deputy Chairman, Executive Director	25/05/1993	20/04/2023
Ng Bee Bee	56	Chief Executive Officer	31/01/2004	22/04/2022
Jane Kimberly Ng Bee Kiok	62	Non-Executive Director	22/03/2021	30/04/2021
Soh Ee Beng	55	Independent Director	17/12/2018	22/04/2022
Fong Yue Kwong	71	Independent Director	01/03/2020	20/04/2023

Notes

1) Information on directors' shareholdings in the Company and its related companies is set out on page 36 of the Annual Report.
2) Information on directorships or chairmanships in other listed companies and other major appointments is set out on pages 10 and 11 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 Board performance in FY2023.

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 FY2023, the NC is satisfied that all the directors have adequately 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 non-executive directors, the majority of whom, including the RC Chairman, are independent directors, namely:

i Fong Yue Kwong – Chairman
ii Soh Ee Beng
iii Jane Kimberly Ng Bee Kiok

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.

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 breakdown of the level and mix of directors' remuneration for FY2023:

Remuneration bands & name of director	Base salary/ Directors' fees	Performance-related bonus	Shares awarded
Below $250,000			
Tay Siew Choon	100%	–	30,000
Patrick Ng Bee Soon	100%	–	–
Jane Kimberly Ng Bee Kiok	100%	–	–
Soh Ee Beng	100%	–	30,000
Fong Yue Kwong	100%	–	30,000
$500,000 to $750,000			
Ng Bee Bee	56.90%	43.10%	–

Report on Corporate Governance (continued)

Disclosure on Remuneration (continued)
Given the sensitivity and confidentiality of remuneration matters and the highly competitive industry conditions of the Group's operations, the Company has not disclosed the exact details of the remuneration of the CEO and the directors. The Company has, however, disclosed the remuneration of the CEO and the directors in bands of $250,000. On the same token, 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 $4.4 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.

SGX has recently amended the Main Board Listing Rule on remuneration disclosures and this amendment will take effect for annual reports prepared for financial year ending on or after 31 December 2024, where the Company is required to disclose the exact amount and breakdown of remuneration paid to each individual director and the CEO by the Company and its subsidiaries (if any) in the 2024 annual report. The Company will make the appropriate disclosures when the new Main Board Listing Rule 1207(10D) is effective.

Except for Ms Ng Bee Bee (CEO), Mr Patrick Ng Bee Soon (Deputy Chairman, Executive Director) and Ms Jane Kimberly Ng Bee Kiok (Non-Executive Director), whose remunerations have been disclosed on page 27, 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 FY2023.

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 37 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 administrated 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 13 February 2023, the Company awarded 568,000 ordinary shares in the Company to eligible employees pursuant to Plan 2022, to be vested over three years. On 20 April 2023, 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 20 April 2023. The shares were vested and released immediately. No shares were awarded to Controlling Shareholders (and their associates) of the Company.

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. No shares were awarded to Directors and 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 2023 and 2024 were made on 13 February 2023, 20 April 2023 and 4 March 2024 respectively.

Details of the share awards granted pursuant to Plan 2022 are set out in the Directors' Statement on page 38 of the Annual Report.

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 FY2023, 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 86 to page 90 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.

Report on Corporate Governance (continued)

Risk Management and Internal Controls (continued)

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 and Shipping

The Trading and Shipping division is exposed to changes in demand for cargoes, such as coal and gypsum, in China and the Southeast Asia region. It is also subjected to the risk of cargo quality. To help manage these risks, the division maintains good working relationships with cargo 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.

Audit Committee

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

The Audit Committee comprises three non-executive directors, the majority of whom, including the AC Chairman, are independent directors, namely:

i Soh Ee Beng – Chairman
ii Tay Siew Choon
iii Jane Kimberly Ng Bee Kiok

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 four 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 2023;
- 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; 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 FY2023, 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 39.

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 FY2023 is disclosed in note 5c to the financial statements on page 63 of the Annual Report. Having also reviewed and considered EY's audit quality indicators data, the AC recommends to the Board the re-appointment of EY as the external auditor of the Company for the financial year ending 31 December 2024.

With regards to the proposed re-appointment of the external auditor, the AC is satisfied that the Company has complied with the SGX Listing Rules 712 and 715. In addition, the AC is satisfied that the Company has complied with Rule 715 of the SGX Listing Rules regarding the audit of the Company's foreign subsidiaries and associate for FY2023.

Report on Corporate Governance (continued)

Audit Committee (continued)

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 FY2024.

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 FY2023, there were no whistle-blowing incidents received.

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 the general meeting of shareholders, the scrutineer will 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) 2023 was convened and held physically on 20 April 2023 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the Order). The alternative arrangements put in place for the conduct of AGM 2023 included submission of questions to the Company in advance of the AGM, and addressing substantial and relevant questions received prior to and at the AGM.

The forthcoming AGM 2024 will be convened and held in a wholly physical format on 26 April 2024. Shareholders are invited to participate at our AGM 2024. Details of the AGM 2024 are set out in a separate announcement released on SGXNET on 8 April 2024.

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. At the immediate past AGM, in compliance with the requirements stipulated in the Order, the Company published the minutes of its AGM held on 20 April 2023 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 analyst briefings 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.

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 FY2023. 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,

Tay Siew Choon
Chairman

Ng Bee Bee
Chief Executive Officer

Singapore
2 April 2024

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 2023.

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 2023 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:

Tay Siew Choon	–	Chairman, Independent Director
Patrick Ng Bee Soon	–	Deputy Chairman, Executive Director
Ng Bee Bee	–	Chief Executive Officer
Jane Kimberly Ng Bee Kiok	–	Non-Executive Director
Soh Ee Beng	–	Independent Director
Fong Yue Kwong	–	Independent Director

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)				
Tay Siew Choon	1,187,500	1,367,500	–	–
Patrick Ng Bee Soon	34,962,037	34,962,037	–	135,000
Ng Bee Bee	–	–	408,375,002*	408,375,002**
Jane Kimberly Ng Bee Kiok	–	–	408,809,502*	408,809,502**
Soh Ee Beng	150,000	180,000	–	–
Fong Yue Kwong	–	180,000	–	–

* These include 191,250,000 ordinary shares held as joint shareholders.
**These include 398,250,000 ordinary shares held as joint shareholders.

	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**
(options to subscribe for ordinary shares)				
Tay Siew Choon	600,000	450,000	–	–
Soh Ee Beng	150,000	150,000	–	–
Fong Yue Kwong	150,000	–	–	–

By virtue of Section 7 of the Singapore Companies Act 1967, Ms Ng Bee Bee and Ms Jane Kimberly Ng Bee Kiok are 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 2024.

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 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 2023 are as follows:

Date granted	Exercise price/ Adjusted exercise price*	Exercise period	Number of share options at 31 December 2023
19/11/2014	$0.80/0.51	19/11/2015 - 18/11/2024	1,053,400
19/11/2015	$0.55/0.35	19/11/2016 - 18/11/2025	457,900
11/11/2016	$0.55/0.35	11/11/2017 - 10/11/2026	552,000
08/12/2017	$0.55/0.35	08/12/2018 - 07/12/2027	765,000
16/11/2018	$0.27	16/11/2019 - 15/11/2028	220,000
19/11/2019	$0.345	19/11/2020 - 18/11/2024	150,000
19/11/2019	$0.345	19/11/2020 - 18/11/2029	1,059,000
10/11/2020	$0.28	10/11/2021 - 09/11/2025	150,000
10/11/2020	$0.28	10/11/2021 - 09/11/2030	1,253,000
18/11/2021	$0.31	18/11/2022 - 17/11/2026	300,000
18/11/2021	$0.31	18/11/2022 - 17/11/2031	1,723,500
			7,683,800

* 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 lapsed since commencement of Scheme 2002 to the end of financial year	Aggregate options outstanding as at the end of financial year
Tay Siew Choon	2,534,400	(1,130,000)	(954,400)	450,000
Soh Ee Beng	300,000	(150,000)	–	150,000
Fong Yue Kwong	150,000	(150,000)	–	–
	2,984,400	(1,430,000)	(954,400)	600,000

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 2023, the Company has granted 568,000 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 20 April 2023 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 Ms Jane Kimberly Ng Bee Kiok; 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 2023 are as follows:

Date granted	Vesting period	Share awards granted	Share awards vested and released	Number of share awards at 31 December 2023
13/02/2023	13/02/2024 – 13/02/2026	568,000	–	568,000
20/04/2023	Immediately	90,000	(90,000)	–
		658,000	(90,000)	568,000

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
Tay Siew Choon	30,000	(30,000)	–
Soh Ee Beng	30,000	(30,000)	–
Fong Yue Kwong	30,000	(30,000)	–
	90,000	(90,000)	–

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 re-appointment of Ernst & Young LLP as the external auditor of the Company for the financial year ending 31 December 2024.

8. Auditor

Ernst & Young LLP have expressed their willingness to accept the re-appointment as auditor.

On behalf of the Board of Directors,

Tay Siew Choon
Chairman

Ng Bee Bee
Chief Executive Officer

Singapore
2 April 2024

Independent Auditor's Report

For the Financial Year ended 31 December 2023

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 2023, 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 2023 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 2023, gross trade receivables of the Group and allowance for expected credit losses (ECL) amounted to $182.0 million and $2.3 million respectively. Trade receivables were significant to the Group as they represented 39.6% 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 34c to the financial statements.

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

SHAPING THE FUTURE IN CONCRETE TECHNOLOGY PAN-UNITED CORPORATION LTD

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
2 April 2024

Consolidated Income Statement

For the Financial Year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Continuing operations			
Revenue	4	**774,138**	703,261
Other income	5a	**3,108**	3,444
Raw materials, subcontract costs and other direct costs		**(613,142)**	(570,562)
Staff costs	6	**(57,467)**	(48,676)
Depreciation and amortisation expenses	5b	**(22,703)**	(21,729)
Impairment loss on financial assets	17	**(909)**	(327)
Other expenses	5c	**(37,046)**	(34,922)
Finance costs	7	**(3,413)**	(2,561)
Share of results of associate		**2,765**	5,878
Profit before tax from continuing operations		**45,331**	33,806
Income tax expense	8	**(9,653)**	(6,059)
Profit from continuing operations, net of tax		**35,678**	27,747
Discontinued operation			
Loss from discontinued operation, net of tax	9	**(1,147)**	(5,206)
Profit for the year, net of tax		**34,531**	22,541
Attributable to			
Equity holders of the Company			
Profit from continuing operations, net of tax		**35,617**	27,515
Loss from discontinued operation, net of tax		**(1,320)**	(4,165)
Profit for the year attributable to equity holders of the Company		**34,297**	23,350
Non-controlling interests			
Profit from continuing operations, net of tax		**61**	232
Profit/(loss) from discontinued operation, net of tax		**173**	(1,041)
Profit/(loss) for the year attributable to non-controlling interests		**234**	(809)
Profit for the year, net of tax		**34,531**	22,541
Earnings per share for the year from continuing operations attributable to equity holders of the Company (cents per share)			
Basic	10	**5.12**	3.94
Diluted	10	**5.11**	3.93
Earnings per share for the year (cents per share)			
Basic	10	**4.93**	3.34
Diluted	10	**4.92**	3.34

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

Consolidated Statement Of Comprehensive Income

For the Financial Year ended 31 December 2023

	2023 $'000	2022 $'000
Profit for the year, net of tax	**34,531**	22,541
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	**(2,911)**	(3,183)
Realisation of reserves to income statement on disposal of subsidiary	**2,014**	–
Items that will not be reclassified to profit or loss		
Fair value changes of derivatives	**695**	(2,315)
Remeasurement of employee benefits obligation	**–**	68
Other comprehensive income for the year, net of tax	**(202)**	(5,430)
Total comprehensive income for the year	**34,329**	17,111
Attributable to		
Equity holders of the Company	**34,230**	18,206
Non-controlling interests	**99**	(1,095)
Total comprehensive income for the year	**34,329**	17,111
Attributable to equity holders of the Company		
Total comprehensive income from continuing operations, net of tax	**33,401**	22,863
Total comprehensive income from discontinued operation, net of tax	**829**	(4,657)
Total comprehensive income for the year attributable to equity holders of the Company	**34,230**	18,206

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

Balance Sheets

As at 31 December 2023

		Group	
	Note	**2023 $'000**	2022 $'000
Non-current assets			
Property, plant and equipment	11	**163,538**	147,613
Intangible assets	13	**7,338**	8,611
Associate	15	**5,429**	4,668
Trade and other receivables	17	**773**	144
Deferred tax assets	25	**800**	459
		177,878	161,495
Current assets			
Inventories	16	**18,882**	23,183
Prepayments		**1,985**	2,353
Trade and other receivables	17	**183,283**	152,998
Other assets	18	**7,481**	8,302
Cash and cash equivalents	19	**64,373**	64,646
Assets of disposal group classified as held for sale	9	**–**	8,379
		276,004	259,861
Current liabilities			
Loans and borrowings	20	**12,052**	27,666
Lease liabilities	21	**5,454**	4,910
Payables and accruals	22	**134,263**	106,755
Deferred income	23	**685**	2,468
Provisions	24	**1,855**	1,242
Income tax payable		**10,446**	7,152
Derivatives	26	**1,301**	1,996
Liabilities directly associated with disposal group classified as held for sale	9	**–**	4,877
		166,056	157,066
Net current assets		**109,948**	102,795
Non-current liabilities			
Loans and borrowings	20	**9,214**	26,975
Lease liabilities	21	**30,453**	9,456
Deferred tax liabilities	25	**5,827**	5,700
Provisions	24	**4,769**	3,764
		50,263	45,895
Net assets		**237,563**	218,395
Equity attributable to equity holders of the Company			
Share capital	27	**12,645**	12,645
Treasury shares	28	**(2,472)**	(1,386)
Reserves		**221,646**	202,313
Reserves of disposal group classified as held for sale	9	**–**	(2,149)
		231,819	211,423
Non-controlling interests			
Non-controlling interests		**5,744**	6,271
Non-controlling interests of disposal group classified as held for sale	9	**–**	701
Total equity		**237,563**	218,395

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

		Company	
	Note	**2023 $'000**	2022 $'000
Non-current assets			
Property, plant and equipment	11	**39**	53
Intangible assets	13	**228**	370
Subsidiaries	14	**92,752**	92,752
		93,019	93,175
Current assets			
Prepayments		**203**	111
Other receivables	17	**51,609**	47,147
Cash and cash equivalents	19	**43,616**	40,226
		95,428	87,484
Current liabilities			
Payables and accruals	22	**42,596**	47,725
Income tax payable		**84**	70
Derivatives	26	**1,301**	1,996
		43,981	49,791
Net current assets		**51,447**	37,693
Net assets		**144,466**	130,868
Equity attributable to equity holders of the Company			
Share capital	27	**12,645**	12,645
Treasury shares	28	**(2,472)**	(1,386)
Reserves		**134,293**	119,609
Total equity		**144,466**	130,868

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 2023

	Attributable to equity holders of the Company									
	Share capital (Note 27) $'000	Treasury shares (Note 28) $'000	Foreign currency translation reserve (Note 29) $'000	Retained earnings $'000	Other reserves (Note 30) $'000	Reserves of disposal group classified as held for sale $'000	Total reserves $'000	Non-controlling interests $'000	Non-controlling interests of disposal group classified as held for sale $'000	Total equity $'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 37)	–	–	–	(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.

	Attributable to equity holders of the Company									
	Share capital (Note 27) $'000	Treasury shares (Note 28) $'000	Foreign currency translation reserve (Note 29) $'000	Retained earnings $'000	Other reserves (Note 30) $'000	Reserves of disposal group classified as held for sale $'000	Total reserves $'000	Non-controlling interests $'000	Non-controlling interests of disposal group classified as held for sale $'000	Total equity $'000
Group 2022										
Balance at 1 January 2022	12,645	(780)	(1,709)	157,037	37,878	–	193,206	8,408	–	213,479
Profit/(loss) for the year	–	–	–	23,350	–	–	23,350	(809)	–	22,541
Other comprehensive income										
Foreign currency translation	–	–	(2,883)	–	–	–	(2,883)	(300)	–	(3,183)
Fair value changes of derivatives	–	–	–	–	(2,315)	–	(2,315)	–	–	(2,315)
Remeasurement of employee benefits obligation	–	–	–	54	–	–	54	14	–	68
Other comprehensive income for the year, net of tax	–	–	(2,883)	54	(2,315)	–	(5,144)	(286)	–	(5,430)
Total comprehensive income for the year	–	–	(2,883)	23,404	(2,315)	–	18,206	(1,095)	–	17,111
Contributions by and distributions to equity holders										
Share-based payment (Note 6)	–	–	–	–	100	–	100	–	–	100
Purchase of treasury shares	–	(2,162)	–	–	–	–	–	–	–	(2,162)
Reissuance of treasury shares	–	1,556	–	–	(141)	–	(141)	–	–	1,415
Dividends on ordinary shares (Note 37)	–	–	–	(11,207)	–	–	(11,207)	–	–	(11,207)
Total transactions with equity holders in their capacity as equity holders	–	(606)	–	(11,207)	(41)	–	(11,248)	–	–	(11,854)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(341)	–	(341)
Reclassification to reserves and non-controlling interests of disposal group classified as held for sale	–	–	2,149	–	–	(2,149)	–	(701)	701	–
Balance at 31 December 2022	12,645	(1,386)	(2,443)	169,234	35,522	(2,149)	200,164	6,271	701	218,395

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

Statements Of Changes In Equity (continued)
For the Financial Year ended 31 December 2023

	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 30) $'000	Total reserves $'000	$'000
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 37)	**–**	**–**	**(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**
Company 2022						
Balance at 1 January 2022	12,645	(780)	73,799	37,878	111,677	123,542
Profit for the year	–	–	21,495	–	21,495	21,495
Other comprehensive income						
Fair value changes of derivatives	–	–	–	(2,315)	(2,315)	(2,315)
Other comprehensive income for the year, net of tax	–	–	–	(2,315)	(2,315)	(2,315)
Total comprehensive income for the year	–	–	21,495	(2,315)	19,180	19,180
Contributions by and distributions to equity holders						
Share-based payment (Note 6)	–	–	–	100	100	100
Purchase of treasury shares	–	(2,162)	–	–	–	(2,162)
Reissuance of treasury shares	–	1,556	–	(141)	(141)	1,415
Dividends on ordinary shares (Note 37)	–	–	(11,207)	–	(11,207)	(11,207)
Total transactions with equity holders in their capacity as equity holders	–	(606)	(11,207)	(41)	(11,248)	(11,854)
Balance at 31 December 2022	12,645	(1,386)	84,087	35,522	119,609	130,868

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 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit before tax from continuing operations		**45,331**	33,806
Loss before tax from discontinued operation		**(1,147)**	(4,907)
Profit before tax, total		**44,184**	28,899
Adjustments for:			
Depreciation of property, plant and equipment	11	**19,845**	21,383
Amortisation of intangible assets	13	**2,858**	1,788
Amortisation of upfront fees	20	**72**	102
Interest income		**(325)**	(307)
Interest expense		**3,049**	2,173
Loss/(gain) on disposal of property, plant and equipment, net	5a	**163**	(159)
Loss on disposal of subsidiary	9	**2,224**	–
Loss on disposal of other investment		**–**	2
Impairment loss on financial assets		**909**	327
Reversal of provisions	24	**–**	(7)
Write-down of inventories		**4**	53
Write-off and impairment of property, plant and equipment		**174**	2,215
Write-off of intangible assets	5c	**597**	403
Share-based payment expenses	6	**(65)**	100
Share of results of associate		**(2,765)**	(5,878)
Foreign exchange differences		**(167)**	101
Operating cash flows before changes in working capital		**70,757**	51,195
Changes in working capital:			
Increase in trade and other receivables		**(32,074)**	(29,229)
Decrease/(increase) in prepayments		**376**	(897)
Decrease/(increase) in inventories		**3,850**	(1,503)
Decrease/(increase) in other assets		**821**	(5,433)
Increase in payables, accruals, provisions and employee benefits liability		**27,992**	10,613
(Decrease)/increase in deferred income		**(1,283)**	1,968
Cash flows from operations		**70,439**	26,714
Interest paid		**(2,924)**	(2,135)
Income tax paid		**(6,573)**	(4,244)
Interest received		**325**	307
Net cash flows from operating activities		**61,267**	20,642
Cash flows from investing activities			
Additions to property, plant and equipment	Note A	**(9,717)**	(11,486)
Additions to intangible assets	13	**(2,186)**	(4,157)
Proceeds from disposal of property, plant and equipment		**124**	193
Proceeds from disposal of other investment		**–**	1
Proceeds from planned disposal of subsidiary		**–**	500
Net cash on disposal of subsidiary	9	**2,158**	–
Dividend income from associate	15	**2,004**	5,545
Net cash flows used in investing activities		**(7,617)**	(9,404)
Cash flows from financing activities			
Proceeds from bank borrowings		**60,848**	105,758
Repayment of bank borrowings		**(93,127)**	(96,462)
Payment of principal portion of lease liabilities		**(6,555)**	(6,328)
Purchase of treasury shares		**(1,379)**	(2,162)
Proceeds from reissuance of treasury shares		**188**	1,415
Dividends paid to shareholders	37	**(12,578)**	(11,207)
Dividends paid to non-controlling interests		**(419)**	(341)
Net cash flows used in financing activities		**(53,022)**	(9,327)
Net increase in cash and cash equivalents		**628**	1,911
Cash and cash equivalents as at beginning of year		**64,646**	64,149
Less: Cash and cash equivalents of disposal group classified as held for sale	9	**–**	(818)
Effects of exchange rate changes on opening cash and cash equivalents		**(901)**	(596)
Cash and cash equivalents as at end of year	19	**64,373**	64,646
Note A: Reconciliation of additions to property, plant and equipment			
Additions to property, plant and equipment attributable to continuing operations		**39,434**	12,706
Additions to property, plant and equipment attributable to discontinued operation		**–**	363
Total additions to property, plant and equipment	11	**39,434**	13,069
Less: Non-cash additions to right-of-use assets	20	**(28,062)**	(1,383)
Less: Provision for reinstatement cost during the financial year	24	**(1,655)**	(200)
		9,717	11,486

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 2023

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 2023. 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) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1- 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS (I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
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	To be determined

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.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

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.

Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

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.

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.

Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year 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 estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives and amortisation method are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(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 costs arising from 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 it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the 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 additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 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.

Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

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.

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 34c.

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.

Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

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.

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 the 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 otherwise would 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 rendering of services is recognised using the percentage of completion method as the Group satisfies the performance obligation over time. The customer simultaneously receives and consumes the benefits as 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.

Notes To The Financial Statements (continued)

2. Material accounting policy information (continued)

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 associates 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.

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 associates, 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 36, 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 Assets and liabilities held for sale and discontinued operations

The Group classifies a disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A disposal group classified as held for sale is measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of a disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the disposal group and the sale is expected to be completed within one year from the date of classification.

Assets and liabilities directly associated with disposal group classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it 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.

Notes To The Financial Statements (continued)

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 an 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 end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising 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 34c.

The carrying amount of trade receivables as at 31 December 2023 is disclosed in Note 17.

(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.

4. Revenue

	Group	
	2023 $'000	2022 $'000
Sale of goods	**758,971**	687,766
Rendering of services	**15,167**	15,495
	774,138	703,261

Disaggregation of revenue

Disaggregation of the Group's revenue is detailed in Note 36a.

Timing of transfer of goods or services

- Sale of concrete and cement and other trading activities: at a point in time.
- Rendering of services for 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	
	2023 $'000	2022 $'000
(a) Other income		
Agency and brokerage income	**687**	834
(Loss)/gain on disposal of property, plant and equipment	**(163)**	159
Government grant	**728**	582
Interest income from financial assets	**318**	282
(b) Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	**19,845**	19,941
Amortisation of intangible assets	**2,858**	1,788
	22,703	21,729
(c) Other expenses		
Usage of equipment, maintenance and consumables	**11,357**	10,792
Land rental and other related expenses	**5,330**	5,652
Expenses relating to short-term leases	**1,303**	1,421
Expenses relating to leases of low-value assets	**50**	33
Utilities and telecommunication charges	**8,825**	8,324
Professional fees	**1,467**	1,259
Write-off of property, plant and equipment	**174**	261
Write-off of intangible assets	**597**	403
Loss on disposal of intangible assets	**–**	2
Audit fees payable to Auditor of the Company	**231**	231
Audit fees payable to member firms of the Auditor of the Company	**39**	75
Non-audit fees payable to Auditor of the Company	**29**	109

Notes To The Financial Statements (continued)

6. Staff costs

	Group 2023 $'000	2022 $'000
Staff costs (including directors)		
Salaries, allowances and bonuses	**50,155**	42,566
Central Provident Fund and other retirement contribution plans	**3,748**	2,660
Share-based payment expenses	**(65)**	100
Other personnel-related expenses	**3,629**	3,350
	57,467	48,676

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.

	2023 No. of share options	2023 WAEP/ Adjusted WAEP ($)	2022 No. of share options	2022 WAEP/ Adjusted WAEP ($)
Outstanding at beginning of year	**9,545,400**	**0.48/0.37**	14,444,800	0.47/0.36
Exercised during the year (Note a)	**(633,000)**	**0.30/0.29**	(4,283,400)	0.44/0.33
Forfeited during the year	**(1,228,600)**	**0.87/0.56**	(616,000)	0.53/0.40
Outstanding at end of year (Note b)	**7,683,800**	**0.43/0.35**	9,545,400	0.48/0.37
Exercisable at end of year	**6,927,800**	**0.44/0.35**	5,515,400	0.61/0.42

Notes:

(a) The adjusted weighted average share price at the dates of exercise for the options exercised during the year was $0.30 (2022: $0.33).

(b) The range of exercise prices for options outstanding at the end of the year was $0.27 to $0.51 (2022: $0.27 to $0.58) after adjustment pursuant to the de-merger/capital reduction. The weighted average remaining contractual life for these options is 5 years (2022: 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 share awards granted under the Plan 2022 during the financial year.

	No. of share awards 2023	2022
Balance as at 1 January	**–**	–
Granted	**658,000**	–
Vested and released	**(90,000)**	–
Balance as at 31 December	**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.

7. Finance costs

	Group 2023 $'000	2022 $'000
Interest expense on loans and borrowings	**2,426**	1,803
Interest expense on lease liabilities (Note 21)	**615**	332
Bank charges	**372**	426
	3,413	2,561

8. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group 2023 $'000	2022 $'000
Consolidated income statement		
Current income tax		
Current income taxation	**9,971**	6,500
Over provision in respect of previous years	**(104)**	(27)
Deferred income tax		
Origination and reversal of temporary differences	**(741)**	(287)
Under/(over) provision in respect of previous years	**413**	(177)
Provision for withholding tax on undistributed earnings of foreign associate	**114**	50
Income tax expense attributable to continuing operations	**9,653**	6,059
Income tax expense attributable to discontinued operation (Note 9)	**–**	299
Income tax expense recognised in profit or loss	**9,653**	6,358

(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 2023 and 2022 are as follows:

	Group 2023 $'000	2022 $'000
Profit before tax from continuing operations	**45,331**	33,806
Loss before tax from discontinued operation	**(1,147)**	(4,907)
Profit before tax	**46,184**	28,899
Tax at the domestic rates applicable to profits in the countries where the Group operates	**7,670**	4,738
Adjustments:		
Non-deductible expenses	**1,560**	1,985
Effect of partial tax exemption and tax incentives	**(164)**	(159)
Income not subject to taxation	**(29)**	(33)
Under/(over) provision in respect of previous years	**309**	(204)
Deferred tax assets not recognised	**323**	297
Benefits from previously unabsorbed capital allowances and unutilised tax losses	**(16)**	(266)
Income tax expense recognised in profit or loss	**9,653**	6,358

Notes To The Financial Statements (continued)

9. Disposal group classified as held for sale and 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.

As at 31 December 2022, the assets and liabilities of PTPG have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" respectively, and its results are presented separately on the consolidated income statement and statement of comprehensive income as discontinued operation.

The Proposed Disposal was completed on 19 April 2023.

Balance sheet disclosures

The major classes of the assets and liabilities of PTPG classified as held for sale and the related reserves as at 31 December 2022 are as follows:

	2022 $'000
Assets	
Property, plant and equipment	3,899
Inventories	1,940
Prepayments	164
Trade and other receivables	1,558
Cash and cash equivalents	818
Assets of disposal group classified as held for sale	8,379
Liabilities	
Payables and accruals	2,736
Employee benefits liability	1,414
Provisions	727
Liabilities directly associated with disposal group classified as held for sale	4,877
Net assets directly associated with disposal group classified as held for sale	3,502
Reserves	
Foreign currency translation reserve	(2,149)

The carrying amounts of assets and liabilities of PTPG at the date of disposal and the effects of the disposal to the Group are 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:

	2023 $'000
Sales consideration	3,500
Less: Proceeds received in 2022 (Note 23)	(500)
Sales consideration receivable (Note 17)	(1,000)
Cash consideration received during the current financial year	2,000
Add: Net cash outflow from discontinued operation	209
Transaction costs related to the disposal	(51)
Net cash inflow on disposal of subsidiary	2,158

Income statement disclosures

The results of the discontinued operation up to the date of disposal and 31 December 2022 are as follows:

	1.1.2023 to 19.4.2023 (date of disposal) $'000	2022 $'000
Revenue	8,158	31,391
Other income	7	138
Expenses	(7,079)	(36,397)
Finance costs	(9)	(39)
Loss on disposal of subsidiary	(2,224)	–
Loss before tax from discontinued operation	(1,147)	(4,907)
Income tax expense	–	(299)
Loss from discontinued operation, net of tax	(1,147)	(5,206)

The following items have been included in arriving at loss before discontinued operation, net of tax:

	2023 $'000	2022 $'000
Depreciation of property, plant and equipment	–	1,442
Impairment of property, plant and equipment	–	1,954

Cash flow statement disclosures

The cash flows attributable to the disposal group for the years ended 31 December are as follows:

	2023 $'000	2022 $'000
Net cash (outflow)/inflow from operating activities	(209)	562
Net cash outflow from investing activity	–	(363)
Net cash (outflow)/inflow	(209)	199

Loss per share disclosures

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

	2023	2022
Basic	(0.19)	(0.60)
Diluted	(0.19)	(0.60)

The basic and diluted loss per share from discontinued operation are 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. These loss and share data are presented in tables in Note 10.

Notes To The Financial Statements (continued)

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	
	2023	2022
	$'000	$'000
Profit for the year attributable to equity holders of the Company	**34,297**	23,350
Loss from discontinued operation, net of tax, attributable to equity holders of the Company	**1,320**	4,165
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	**35,617**	27,515

	2023 No. of shares '000	2022 No. of shares '000
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share computation	**695,817**	698,583
Effect of dilution on share options	**1,033**	1,041
Weighted average number of ordinary shares (excluding treasury shares) for diluted earnings per share computation	**696,850**	699,624
Earnings per share for the year from continuing operations attributable to equity holders of the Company (cents per share)		
Basic	**5.12**	3.94
Diluted	**5.11**	3.93
Earnings per share for the year (cents per share)		
Basic	**4.93**	3.34
Diluted	**4.92**	3.34

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 2022	48,654	27,865	222,623	20,793	1,377	321,312
Additions	697	503	6,885	2,041	2,943	13,069
Disposals	–	–	(2,367)	(127)	–	(2,494)
Write-off	(905)	–	(1,776)	(317)	–	(2,998)
Reclassification	–	–	1,263	93	(1,356)	–
Remeasurement of right-of-use assets	(4)	–	–	–	–	(4)
Attributable to assets of disposal group classified as held for sale (Note 9)	(1,343)	(481)	(9,518)	(4,776)	(181)	(16,299)
Exchange differences	(449)	(378)	(4,869)	(2,032)	(18)	(7,746)
At 31 December 2022 and 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	73,709	27,361	214,620	16,585	1,404	333,679
Accumulated depreciation and impairment loss						
At 1 January 2022	25,361	8,945	109,077	11,727	–	155,110
Depreciation charge for the year	6,194	883	11,909	2,397	–	21,383
Impairment loss	–	–	643	1,311	–	1,954
Disposals	–	–	(2,332)	(128)	–	(2,460)
Write-off	(905)	–	(1,530)	(302)	–	(2,737)
Attributable to assets of disposal group classified as held for sale (Note 9)	(443)	(338)	(8,887)	(2,732)	–	(12,400)
Exchange differences	(97)	(181)	(1,744)	(1,601)	–	(3,623)
At 31 December 2022 and 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	35,247	9,603	113,303	11,988	–	170,141
Net carrying amount						
At 31 December 2022	16,540	18,200	105,105	5,003	2,765	147,613
At 31 December 2023	38,462	17,758	101,317	4,597	1,404	163,538

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 $37,298,000 (2022: $15,138,000). 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 $46,900,000 (2022: $50,859,000) are mortgaged to secure the Group's bank loans (Note 20).

Company	Other assets $'000
Cost	
At 1 January 2022	480
Additions	21
Write-off	(102)
At 31 December 2022 and 1 January 2023	399
Additions	14
Disposal	(2)
At 31 December 2023	411
Accumulated depreciation	
At 1 January 2022	413
Depreciation charge for the year	33
Write-off	(100)
At 31 December 2022 and 1 January 2023	346
Depreciation charge for the year	28
Disposal	(2)
At 31 December 2023	372
Net carrying amount	
At 31 December 2022	53
At 31 December 2023	39

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 2022	18,948	89	61	1,293	20,391
Additions	697	–	–	686	1,383
Depreciation charge for the year	(5,998)	(58)	(22)	(499)	(6,577)
Remeasurement of right-of-use assets	(4)	–	–	–	(4)
Exchange differences	(36)	(3)	–	(16)	(55)
At 31 December 2022 and 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	35,755	139	18	1,386	37,298

The following are the amounts recognised in profit or loss:

	Group	
	2023 $'000	2022 $'000
Depreciation expense on right-of-use assets	**7,135**	6,577
Interest expense on lease liabilities	**615**	332
Expenses relating to short-term leases	**1,303**	1,421
Expenses relating to leases of low-value assets	**50**	33
	9,103	8,363

In 2023, the Group had total cash outflows for leases of $7,060,000 (2022: $6,660,000) and non-cash additions to right-of-use assets of $29,367,000 (2022: $1,383,000) and lease liabilities of $28,062,000 (2022: $1,383,000).

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.

Notes To The Financial Statements (continued)

13. Intangible assets

Group	Developed technology $'000	Product development costs $'000	Club memberships $'000	Total $'000
Cost				
At 1 January 2022	8,455	87	432	8,974
Additions:				
Internal development	4,144	13	–	4,157
Write-off	(566)	–	(62)	(628)
Exchange differences	(8)	–	–	(8)
At 31 December 2022 and 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	13,263	107	370	13,740
Accumulated amortisation				
At 1 January 2022	2,255	16	52	2,323
Amortisation for the year	1,773	15	–	1,788
Write-off	(173)	–	(52)	(225)
Exchange differences	(2)	–	–	(2)
At 31 December 2022 and 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	6,210	50	142	6,402
Net carrying amount				
At 31 December 2022	8,172	69	370	8,611
At 31 December 2023	7,053	57	228	7,338

Company	Club memberships $'000
Cost	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	370
Accumulated amortisation	
At 1 January 2022, 31 December 2022 and 1 January 2023	–
Amortisation for the year	142
At 31 December 2023	142
Net carrying amount	
At 31 December 2022	370
At 31 December 2023	228

The Group's developed technology has remaining amortisation period of 1 to 5 years (2022: 1 to 5 years) for the financial year ended 31 December 2023.

14. Subsidiaries

	Company 2023 $'000	2022 $'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 2023 %	2022 %
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

Notes To The Financial Statements (continued)

14. Subsidiaries (continued)

Name of subsidiaries (Country of incorporation)	Principal activities	Effective shareholding held by the Group 2023 %	2022 %
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	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
PT. Pacific Granitama (Indonesia)*#	Quarry operator	–	49
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
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.

* 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.

^ PT. Pan-United Concrete is not considered significant to be audited as defined under Rule 718 of the listing manual of SGX-ST. In 2023, PT. Pan-United Concrete is under liquidation.

\# PT. Pacific Granitama is classified as a disposal group held for sale as at 31 December 2022. The proposed disposal was completed on 19 April 2023 (Note 9).

15. Associate

The Group's investment in associate is summarised below:

	Group 2023 $'000	2022 $'000
PT. Lanna Harita Indonesia	5,429	4,668

Name of associate (Country of incorporation)	Principal activity	Effective shareholding held by the Group 2023 %	2022 %
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.

Dividends of $2,004,000 (2022: $5,545,000) were received from the associate during the financial year.

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:

	2023 $'000	2022 $'000
Summarised balance sheet		
Current assets	42,656	52,712
Non-current assets	42,375	38,874
Total assets	85,031	91,586
Current liabilities	21,312	34,793
Non-current liabilities	7,427	7,480
Total liabilities	28,739	42,273
Net assets	56,292	49,313
Proportion of Group's ownership	10%	10%
Group's share of net assets	5,629	4,931
Other adjustments	(200)	(263)
Carrying amount of the investment	5,429	4,668
Summarised statement of comprehensive income		
Revenue	243,169	339,370
Profit after tax	27,648	58,777
Total comprehensive income for the year	27,648	58,777

Notes To The Financial Statements (continued)

16. Inventories

	Group	
	2023	2022
	$'000	$'000
Balance sheet		
Raw materials	**11,287**	15,118
Finished goods	**6,974**	7,449
Consumables	**621**	616
	18,882	23,183
Consolidated income statement		
Inventories recognised as an expense in raw materials, subcontract costs and other direct costs	**466,506**	428,070

17. Trade and other receivables

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables	**179,089**	149,456	**–**	–
Amounts due from subsidiaries	**–**	–	**51,609**	47,147
Refundable deposits	**2,278**	3,185	**–**	–
Sundry receivables	**916**	357	**–**	–
Sales consideration receivable from disposal of a subsidiary (Note 9)	**1,000**	–	**–**	–
	183,283	152,998	**51,609**	47,147
Non-current				
Trade receivables	**635**	–	**–**	–
Refundable deposits	**138**	144	**–**	–
	773	144	**–**	–
Total trade and other receivables	**184,056**	153,142	**51,609**	47,147
Add: Cash and cash equivalents (Note 19)	**64,373**	64,646	**43,616**	40,226
Total financial assets carried at amortised cost	**248,429**	217,788	**95,225**	87,373

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 from customers that are insured by trade credit insurance underwritten by reputable insurers amounted to $127,440,000 (2022: $98,169,000) 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	
	2023	2022
	$'000	$'000
At 1 January	**2,150**	1,973
Charge for the year	**909**	327
Written off during the year	**(689)**	(74)
Exchange difference	**(94)**	(76)
At 31 December	**2,276**	2,150

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	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at banks and on hand	**62,990**	49,733	**43,616**	26,762
Short-term deposits	**1,383**	14,913	**–**	13,464
	64,373	64,646	**43,616**	40,226

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 0.64% (2022: 0.01% to 0.62%) per annum. The effective interest rate of short-term deposits ranged from 5.35% to 9.50% (2022: 2.35% to 5.35%) per annum.

20. Loans and borrowings

	Group	
	2023	2022
	$'000	$'000
Current		
Secured (Note a)	**6,383**	10,074
Unsecured (Note b)	**5,669**	17,592
	12,052	27,666
Non-current		
Secured (Note c)	**4,396**	7,229
Unsecured (Note d)	**4,818**	19,746
	9,214	26,975
Total loans and borrowings (excluding lease liabilities)	**21,266**	54,641

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

Notes To The Financial Statements (continued)

20. Loans and borrowings (continued)

(a) Details of the current secured bank loans are as follows:

(i) $6,383,000 (2022: $5,887,000) is denominated in Malaysia Ringgit and bears interest from 4.40% to 5.37% (2022: 3.25% to 4.88%) per annum.

(ii) In 2022, $4,187,000 was denominated in Vietnamese Dong and bore interest of 4.75% to 9.17% per annum. The amount was fully repaid in 2023.

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

(i) $2,440,000 (2022: $2,592,000) is denominated in Malaysia Ringgit and bears interest of 4.46% to 5.23% (2022: 3.38% to 4.44%) per annum.

(ii) $3,229,000 (2022: Nil) is denominated in Vietnamese Dong and bears interest of 5.10% to 7.30% (2022: Nil) per annum.

(iii) In 2022, $15,000,000 was denominated in Singapore Dollars and bore interest of 1.73% to 4.14% per annum. The amount was fully repaid in 2023.

(c) The non-current secured bank loan of $4,396,000 (2022: $7,229,000) is denominated in Malaysia Ringgit and bears interest of 4.87% to 5.37% (2022: 3.70% to 4.88%) per annum. The loan is repayable in 2026.

(d) The non-current unsecured bank loan of $5,000,000 (2022: $20,000,000) is denominated in Singapore dollars and bears interest, comprising fixed and variable components, of 5.26% to 5.32% (2022: 3.16% to 4.14%) per annum.

The loan is repayable in 2026. The Group had paid one-time upfront fees to secure the bank loans and this amount will be amortised throughout the loan contract period. As at 31 December 2023, the remaining unamortised upfront fees were $182,000 (2022: $254,000) and were netted off against the total non-current unsecured bank loan with the net amount being $4,818,000 (2022: $19,746,000).

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

	1 January 2023	**Cash flows**	**Non-cash changes**					**31 December 2023**
			Amortisation of upfront fees	**Additions to right-of-use assets**	**Accretion of interest**	**Foreign exchange movement**	**Other**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'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.

	1 January 2022	Cash flows	Non-cash changes					31 December 2022
			Amortisation of upfront fees	Additions to right-of-use assets	Accretion of interest	Foreign exchange movement	Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans								
Current	21,440	4,421	47	–	–	(836)	2,594	27,666
Non-current	25,184	4,875	55	–	–	(545)	(2,594)	26,975
	46,624	9,296	102	–	–	(1,381)	–	54,641
Lease liabilities (Note 21)								
Current	6,127	(6,127)	–	478	–	(28)	4,460	4,910
Non-current	13,248	(533)	–	905	332	(32)	(4,464)	9,456
	19,375	(6,660)	–	1,383	332	(60)	(4)	14,366
Total	65,999	2,636	102	1,383	332	(1,441)	(4)	69,007

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.

21. Lease liabilities

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

	Group	
	2023	2022
	$'000	$'000
At 1 January	**14,366**	19,375
Additions	**28,062**	1,383
Interest expense on lease liabilities	**615**	332
Payments	**(7,060)**	(6,660)
Remeasurement of lease liabilities	**(23)**	(4)
Exchange differences	**(53)**	(60)
At 31 December	**35,907**	14,366
Represented by:		
Current	**5,454**	4,910
Non-current	**30,453**	9,456
Total	**35,907**	14,366

The maturity analysis of lease liabilities is disclosed in Note 34d.

22. Payables and accruals

	Group		**Company**	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Payables and accruals				
Trade payables	**103,633**	83,648	**–**	–
Other payables	**6,196**	5,754	**68**	143
Accruals	**24,434**	17,353	**2,705**	2,759
Amount due to subsidiaries	**–**	–	**39,823**	44,823
Total payables and accruals	**134,263**	106,755	**42,596**	47,725
Less: Sales tax payables	**(2,544)**	(1,435)	**(41)**	(83)
Add: Loans and borrowings (Note 20)	**21,266**	54,641	**–**	–
Add: Lease liabilities (Note 21)	**35,907**	14,366	**–**	–
Total financial liabilities measured at amortised cost	**188,892**	174,327	**42,555**	47,642

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.

Notes To The Financial Statements (continued)

23. Deferred income

	Group	
	2023	2022
	$'000	$'000
Income recognisable within 12 months		
Voyages-in-progress	**–**	1,064
Government grant	**653**	898
Proceeds from planned disposal of a subsidiary (Note 9)	**–**	500
Others	**32**	6
Total	**685**	2,468

24. Provisions

	Group Reinstatement cost	
	2023	2022
	$'000	$'000
At 1 January	**5,006**	5,695
Recognised during the year	**1,655**	238
Utilised	**(37)**	(109)
Unused amounts reversed	**–**	(7)
Accretion of interest	**7**	–
Exchange differences	**(7)**	(84)
Reclassified to liabilities directly associated with disposal group classified as held for sale (Note 9)	**–**	(727)
At 31 December	**6,624**	5,006
Represented by:		
Current	**1,855**	1,242
Non-current	**4,769**	3,764
Total	**6,624**	5,006

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	
	2023	2022
	$'000	$'000
At 1 January	**5,700**	6,321
Origination and reversal of temporary differences	**13**	(671)
Provision for withholding tax on undistributed earnings of foreign associate	**114**	50
At 31 December	**5,827**	5,700
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	**5,273**	5,260
Provision for withholding tax on undistributed earnings of foreign associate	**554**	440
	5,827	5,700

(b) **Deferred tax assets**

	Group	
	2023	2022
	$'000	$'000
At 1 January	**459**	1,240
Origination and reversal of temporary differences	**341**	(781)
At 31 December	**800**	459
The deferred tax assets principally arise as a result of:		
Provisions	**800**	459

Unrecognised tax losses and capital allowances

At the end of the reporting period, the Group has unutilised tax losses of $9,130,000 (2022: $7,829,000) and unutilised capital allowances of $707,100 (2022: $93,100) 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, $4,372,000 (2022: $4,646,000) of tax losses 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 (2022: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 37).

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2022: 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 $268,000 (2022: $708,000). The deferred tax liability is estimated to be $54,000 (2022: $142,000).

26. Derivatives

	Group and Company			
	2023		2022	
	Contract/ Notional amount	**Liability**	Contract/ Notional amount	Liability
	$'000	**$'000**	$'000	$'000
Forward currency contracts	**77,762**	**(1,212)**	87,295	(1,972)
Currency option contracts	**7,908**	**(89)**	16,116	(24)
Total	**85,670**	**(1,301)**	103,411	(1,996)

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.

Notes To The Financial Statements (continued)

27. Share capital

	Group and Company			
	2023		2022	
	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			
	2023		2022	
	No. of shares '000	**$'000**	No. of shares '000	$'000
At 1 January	**(3,413)**	**(1,386)**	(2,233)	(780)
Reissued for cash:				
- On exercise of employee share options	**633**	**256**	4,284	1,556
- On vesting of share awards	**90**	**37**	–	–
Purchase of treasury shares	**(3,489)**	**(1,379)**	(5,464)	(2,162)
At 31 December	**(6,179)**	**(2,472)**	(3,413)	(1,386)

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

The Company acquired 3,488,900 (2022: 5,464,000) 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 2023 and 2022.

During the year ended 31 December 2023, the Company reissued 633,000 (2022: 4,284,000) treasury shares pursuant to the Scheme 2002 and 90,000 (2022: Nil) treasury shares pursuant to the Plan 2022.

29. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2023 $'000	2022 $'000
At 1 January	**(2,443)**	(1,709)
Net effect of exchange differences arising from translation of financial statements of foreign operations	**(2,911)**	(2,883)
Reclassified to reserves of disposal group classified as held for sale (Note 9)	**–**	2,149
At 31 December	**(5,354)**	(2,443)

30. Other reserves

	Group and Company	
	2023 $'000	2022 $'000
Employee share-based payment reserve (Note a)	**696**	837
Loss on reissuance of treasury shares (Note b)	**(44)**	(15)
Fair value reserve	**(458)**	(458)
Hedging reserve	**(1,301)**	(1,996)
Distribution in specie	**37,154**	37,154
	36,047	35,522

(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	
	2023 $'000	2022 $'000
At 1 January	**837**	1,110
Share-based payment	**(65)**	100
Reissuance of treasury shares	**(76)**	(373)
At 31 December	**696**	837

(b) Loss on reissuance of treasury shares

This represents the 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	
	2023 $'000	2022 $'000
At 1 January	**(15)**	(247)
(Loss)/gain on reissuance of treasury shares	**(29)**	232
At 31 December	**(44)**	(15)

Notes To The Financial Statements (continued)

31. Commitments

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

	Group	
	2023	2022
	$'000	$'000
Capital commitments in respect of plant and machinery	**959**	129

32. 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 common 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	
	2023	2022
	$'000	$'000
Transactions with companies related to directors		
Rental income	**31**	32

Balances with related companies as at 31 December 2023 and 31 December 2022 are set out in Note 17 and Note 22.

(b) Compensation of key management personnel

	Group	
	2023	2022
	$'000	$'000
Short-term employee benefits	**4,622**	4,562
Central Provident Fund contributions	**93**	86
	4,715	4,648
Comprise amounts paid to:		
Directors of the Company	**1,254**	767
Other key management personnel	**3,461**	3,881
	4,715	4,648

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 (2022: Nil) share awards were granted to non-executive directors under Plan 2022.

33. 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 2023 and 31 December 2022.

(b) Assets and liabilities measured at fair value

		Group and Company	
		2023	2022
	Note	**$'000**	$'000
Financial liability			
Derivatives:			
- Forward currency contracts	26	**1,212**	1,972
- Currency option contracts	26	**89**	24
		1,301	1,996

(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.

Notes To The Financial Statements (continued)

34. 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	**Increase/ (decrease) in profit before tax $'000**
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**
Year ended 31 December 2022		
Loans and borrowings denominated in:		
Singapore Dollar	100	(350)
Malaysia Ringgit	100	(157)
Vietnamese Dong	100	(42)
Singapore Dollar	(100)	350
Malaysia Ringgit	(100)	157
Vietnamese Dong	(100)	42

(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 $17,826,000 (2022: $26,532,000).

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	
		2023 $'000	2022 $'000
USD/SGD	– strengthened 3% (2022: 3%)	**413**	772
	– weakened 3% (2022: 3%)	**(413)**	(772)

(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.

Notes To The Financial Statements (continued)

34. Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Group determined that its financial assets are credit-impaired when:

– There is significant financial difficulty of the borrower;
– 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			
	2023 $'000	**% of total**	2022 $'000	% of total
By business segment				
Concrete and Cement	**178,668**	**99**	147,675	99
Trading and Shipping	**1,056**	**1**	1,779	1
Others	**–**	**–**	2	–
	179,724	**100**	149,456	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.

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 2023	**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	**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**
31 December 2022							
Singapore							
Gross carrying amount	73,705	42,207	11,291	544	208	659	128,614
Allowance for impairment	–	(10)	(8)	–	(169)	(658)	(845)
Net carrying amount	73,705	42,197	11,283	544	39	1	127,769
Other geographical areas							
Gross carrying amount	12,998	4,280	2,363	1,009	320	2,022	22,992
Allowance for impairment	–	(11)	(22)	(14)	(2)	(1,256)	(1,305)
Net carrying amount	12,998	4,269	2,341	995	318	766	21,687
	86,703	46,466	13,624	1,539	357	767	149,456

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, 57% (2022: 51%) of the Group's loans and borrowings (Note 20) will mature in less than one year.

Notes To The Financial Statements (continued)

34. Financial risk management objectives and policies (continued)

(d) Liquidity risk (continued)

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 2023	**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	**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 2022				
Non-derivative financial assets				
Trade and other receivables	152,998	144	–	153,142
Cash and cash equivalents	64,646	–	–	64,646
Total undiscounted financial assets	217,644	144	–	217,788
Non-derivative financial liabilities				
Payables and accruals (excluding sales tax payables)	105,320	–	–	105,320
Lease liabilities	5,147	7,544	2,416	15,107
Loans and borrowings	29,062	29,457	–	58,519
Total undiscounted financial liabilities	139,529	37,001	2,416	178,946
Total net undiscounted financial assets/(liabilities)	78,115	(36,857)	(2,416)	38,842

	Company			
31 December 2023	**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	**51,609**	**–**	**–**	**51,609**
Cash and cash equivalents	**43,616**	**–**	**–**	**43,616**
Total undiscounted financial assets	**95,225**	**–**	**–**	**95,225**
Non-derivative financial liabilities				
Payables and accruals (excluding sales tax payables)	**42,555**	**–**	**–**	**42,555**
Total undiscounted financial liabilities	**42,555**	**–**	**–**	**42,555**
Total net undiscounted financial assets	**52,670**	**–**	**–**	**52,670**
31 December 2022				
Non-derivative financial assets				
Trade and other receivables	47,147	–	–	47,147
Cash and cash equivalents	40,226	–	–	40,226
Total undiscounted financial assets	87,373	–	–	87,373
Non-derivative financial liabilities				
Payables and accruals (excluding sales tax payables)	47,642	–	–	47,642
Total undiscounted financial liabilities	47,642	–	–	47,642
Total net undiscounted financial assets	39,731	–	–	39,731

35. 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 2023 and 31 December 2022.

The Group monitors capital using net gearing ration, 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 2023 and has no gearing.

	Group	
	2023 $'000	2022 $'000
Net (cash)/debt	**(7,200)**	4,361
Total equity	**237,563**	218,395
Net gearing ratio	**–**	0.02

The Group is in compliance with all externally imposed capital requirements for the years ended 31 December 2023 and 31 December 2022.

36. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

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

(b) The Trading and Shipping segment relates to trading of raw materials, bulk shipping and agency operations.

(c) Others relate to 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.

Management monitors the operating results of its business units separately for the purpose of making decisions about 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.

Notes To The Financial Statements (continued)

36. Segment information (continued)

(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 2023 and 31 December 2022.

	Concrete and Cement $'000	Trading and Shipping $'000	Others $'000	Eliminations $'000	Group $'000
31 December 2023					
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	69,017	979	(2,004)	–	67,992
Interest income	152	–	166	–	318
Depreciation expenses	(19,601)	(2)	(242)	–	(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/(loss) before tax from continuing operations	46,197	977	(1,843)	–	45,331
Income tax expense	(8,430)	(153)	(1,070)	–	(9,653)
Profit/(loss) for the year from continuing operations	37,767	824	(2,913)	–	35,678
Attributable to:					
Equity holders of the Company	38,133	397	(2,913)	–	35,617
Non-controlling interests	(366)	427	–	–	61
	37,767	824	(2,913)	–	35,678
Balance Sheet					
Segment assets	386,953	3,359	50,803	–	441,115
Investment in associate	–	–	5,429	–	5,429
Intangible assets	592	–	6,746	–	7,338
Total assets	387,545	3,359	62,978	–	453,882
Segment liabilities	156,928	752	1,466	–	156,146
Lease liabilities	35,907	–	–	–	35,907
Loans and borrowings	21,266	–	–	–	21,266
Total liabilities	214,101	752	1,466	–	216,319
Other segment information					
Additions to non-current assets	39,203	–	2,417	–	41,620

	Concrete and Cement $'000	Trading and Shipping $'000	Others $'000	Eliminations $'000	Group $'000
31 December 2022					
Revenue					
External sales	684,835	18,426	–	–	703,261
Inter-segment sales	–	6,306	–	(6,306)	–
Total revenue	684,835	24,732	–	(6,306)	703,261
Results					
Segment results	54,067	1,556	(4,113)	–	51,510
Interest income	148	–	134	–	282
Depreciation expenses	(19,635)	(2)	(304)	–	(19,941)
Amortisation of intangible assets	(341)	–	(1,447)	–	(1,788)
Interest expense	(2,135)	–	–	–	(2,135)
Share of results of associate	–	–	5,878	–	5,878
Profit before tax from continuing operations	32,104	1,554	148	–	33,806
Income tax expense	(4,435)	(208)	(1,416)	–	(6,059)
Profit/(loss) for the year from continuing operations	27,669	1,346	(1,268)	–	27,747
Attributable to:					
Equity holders of the Company	27,870	913	(1,268)	–	27,515
Non-controlling interests	(201)	433	–	–	232
	27,669	1,346	(1,268)	–	27,747

	Concrete and Cement $'000	Trading and Shipping $'000	Others $'000	Eliminations $'000	Group $'000
Balance Sheet					
Segment assets	345,361	5,644	48,693	–	399,698
Investment in associate	–	–	4,668	–	4,668
Intangible assets	1,516	–	7,095	–	8,611
Assets of disposal group classified as held for sale	8,379	–	–	–	8,379
Total assets	355,256	5,644	60,456	–	421,356
Segment liabilities	120,758	1,843	6,476	–	129,077
Lease liabilities	14,366	–	–	–	14,366
Loans and borrowings	54,641	–	–	–	54,641
Liabilities directly associated with disposal group classified as held for sale	4,877	–	–	–	4,877
Total liabilities	194,642	1,843	6,476	–	202,961
Other segment information					
Additions to non-current assets	13,320	2	3,541	–	16,863
Additions to non-current assets of disposal group classified as held for sale	363	–	–	–	363
Total additions	13,683	2	3,541	–	17,226

Notes To The Financial Statements (continued)

36. Segment information (continued)

(b) Geographical information (continuing operations)

Revenue and non-current assets information based on the geographical location of customers and assets respectively for the years ended 31 December 2023 and 31 December 2022 are as follows:

	Revenue		Non-current assets	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Singapore	**1,012,523**	904,130	**125,396**	105,661
Others	**88,610**	91,327	**52,482**	55,834
Eliminations	**(326,995)**	(292,196)	**–**	–
Total	**774,138**	703,261	**177,878**	161,495

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.

37. Dividends

	Group and Company	
	2023 $'000	2022 $'000
Declared and paid during the year		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for year ended 2022: 1.30 cents (2021: 1.10 cents) per share	**9,089**	7,707
Interim exempt (one-tier) dividend for year ended 2023: 0.50 cents (2022: 0.50 cents) per share	**3,489**	3,500
	12,578	11,207
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 2023: 1.80 cents (2022: 1.30 cents) per share	**12,525**	9,089
Dividend per share (in cents)	**2.30**	1.80

38. Events after the reporting period

On 8 February 2024, the Company incorporated an indirect wholly-owned subsidiary, AiR Digital Pte. Ltd. (AiR Digital). The principal activities of AiR Digital are marketing and provision of technology solutions.

On 16 February 2024, a total of 1,012,900 treasury shares were reissued pursuant to the Pan-United Share Option scheme and Pan-United Share Plan (Plan 2022).

On 4 March 2024, under Plan 2022, the Company granted 606,000 share awards to certain employees of the Group, to be vested over three years from February 2025 to February 2027. No share awards was granted to directors and controlling shareholders.

39. Authorisation of financial statements

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 2 April 2024.

Statistics Of Shareholdings

As at 28 March 2024

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

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	20	0.20	818	–
100 - 1,000	2,934	29.77	2,834,625	0.41
1,001 - 10,000	5,143	52.18	22,273,963	3.19
10,001 - 1,000,000	1,733	17.58	87,936,206	12.62
1,000,001 and above	26	0.27	583,784,013	83.78
	9,856	100.00	696,829,625	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	60.37
2. Patrick Ng Bee Soon[(2)]	34,962,037	5.02	135,000	0.02
3. Ng Bee Bee[(1)]	-	-	408,375,002	58.60
4. Jane Kimberly Ng Bee Kiok[(1)]	-	-	408,809,502	58.67

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 28 March 2024, approximately 24.69% 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	57.15
2. Phillip Securities Pte Ltd	37,561,226	5.39
3. DBS Nominees (Private) Limited	36,240,189	5.20
4. Patrick Ng Bee Soon	34,962,037	5.02
5. Citibank Nominees Singapore Pte Ltd	11,874,525	1.70
6. United Overseas Bank Nominees (Private) Limited	10,946,008	1.57
7. BNP Paribas Nominees Singapore Pte Ltd	7,279,748	1.05
8. Ng Han Whatt	6,750,000	0.97
9. HSBC (Singapore) Nominees Pte Ltd	4,129,700	0.59
10. Chan Wai Mun	3,984,800	0.57
11. OCBC Securities Private Limited	3,440,450	0.49
12. Loh Kah Soon	2,773,150	0.40
13. OCBC Nominees Singapore Private Limited	2,519,905	0.36
14. Lee Cheong Seng	2,500,000	0.36
15. Cheng Heng Seng	2,100,000	0.30
16. Lee Boon Wah	2,067,400	0.30
17. Chin Poh Leng	2,060,000	0.30
18. Ch'ng Jit Koon	1,960,000	0.28
19. Chan Ying Wah	1,941,900	0.28
20. Tan Cheok Tin	1,831,250	0.26
	575,172,288	82.54

* Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. As at 28 March 2024, the Company has 5,166,200 shares held as treasury shares and this represents approximately 0.74% 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 28 March 2024, excluding 5,166,200 shares held as treasury shares as at that date.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 32nd 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 Friday, 26 April 2024 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 2023, together with the Auditor's Report thereon. **Resolution 1**

2. To declare a final dividend of $0.018 per ordinary share (one-tier tax exempt) for the financial year ended 31 December 2023. **Resolution 2**

3. To note the retirement of Mr Tay Siew Choon as a director of the Company under Regulations 89 and 90 of the Constitution, who has decided not to seek re-election.
[See Explanatory Note 1]

4. To note the retirement of Ms Jane Kimberly Ng Bee Kiok as a director of the Company under Regulations 89 and 90 of the Constitution, who has decided not to seek re-election.
[See Explanatory Note 2]

5. To approve the payment of directors' fees of $377,500 for the financial year ending 31 December 2024 (2023: $335,500). **Resolution 3**

6. To re-appoint Ernst & Young LLP as the auditor of the Company for the financial year ending 31 December 2024 and to authorise the directors to fix their remuneration. **Resolution 4**

SPECIAL BUSINESS

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

7. Authority To Issue Shares **Resolution 5**
"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;

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 3]

8. Renewal Of Share Buyback Mandate **Resolution 6**
"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;

Notice Of Annual General Meeting (continued)

"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 4]

9. 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 7**
Mr Tay Siew Choon
Mr Soh Ee Beng
Mr Fong Yue Kwong
[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 2024

Explanatory Notes
1. Mr Tay Siew Choon will retire as a director of the Company at the conclusion of the 32nd Annual General Meeting. Consequent thereto, Mr Tay will cease to act as the Chairman of the Board. He will also relinquish the position as Chairman of the Executive Committee and the Nominating Committee, and cease to be a member of the Audit Committee.

2. Ms Jane Kimberly Ng Bee Kiok will retire as a director of the Company at the conclusion of the 32nd Annual General Meeting. Consequent thereto, Ms Ng will cease to be a member of the Audit Committee and the Remuneration Committee.

3. Resolution 5, if passed, will empower the directors of the Company, from the date of the passing of Resolution 5 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 5.

   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.

4. Resolution 6, 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 6. Please refer to the Letter to Shareholders dated 8 April 2024 for details.

5. In recognition of the strategic leadership, efforts and contribution by the non-executive directors for the financial year ended 31 December 2023, the Company wishes to reward these eligible non-executive directors with the fully paid shares. If Resolution 7 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.

Notes

(1) The members of the Company are invited to attend the 32nd 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 2024 (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 16 April 2024, 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.

(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 23 April 2024, 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 16 April 2024:

(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).

Notice Of Annual General Meeting (continued)

We will endeavour to address substantial and relevant questions received by 16 April 2024 deadline from shareholders, via publication on the Company's corporate website and on the SGXNET by 19 April 2024.

We will address any subsequent substantial and relevant questions which are received after 16 April 2024 submission deadline, as well as those substantial and relevant questions raised at the AGM, at the AGM itself.

(9) The Annual Report 2023 and the Letter to Shareholders dated 8 April 2024 (in relation to the proposed renewal of the share buyback mandate) have been published on our corporate website, and may be accessed as follows:

(a) the Annual Report 2023 may be accessed at the URL https://panunited.listedcompany.com/home.html by clicking on the link for "Annual Report 2023"; and

(b) the Letter to Shareholders dated 8 April 2024 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.

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 9 May 2024 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 9 May 2024 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 9 May 2024 will be entitled to the proposed final dividend. The final dividend, if approved at the forthcoming Annual General Meeting, will be paid on 17 May 2024.

Pan-United Corporation Ltd
(Company Registration No. 199106524G)

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