

PUC increases port presence in Yangtze River Delta through RMB436.5m acquisition

- ◆ **Changshu Xinghua Port to purchase 90% stake in Changshu Changjiang International Port**
- ◆ **Jointly, port handling capacity will expand by 60%**
- ◆ **Deal will increase CXP's lead as one of China's key logistics hubs in Shanghai-Jiangsu-Zhejiang industrial hinterland**

SINGAPORE ◆ 19 February 2014

For immediate release

Pan-United Corporation Ltd (PUC, the Group or 泛联集团), through its 85.5%-owned Changshu Xinghua Port Co., Ltd (CXP), is pleased to announce the acquisition of a 90% stake in a multi-purpose port, Changshu Changjiang International Port Co., Ltd (CCIP), for RMB436.5 million (approximately S\$91.3 million).

CXP will acquire 90% of CCIP from Changshu Binjiang Urban Construction Investment & Management Co. Ltd (CBUC) under an agreement dated 18 February 2014. CBUC will retain a 10% stake in CCIP. The purchase is expected to be completed by 25 March 2014. CBUC is wholly-owned by Jiangsu Changshu Economic Development Group (JCED), which also owns a 5% direct stake in CXP. CXP expects to finance its purchase of CCIP with cash and bank borrowings.

Located adjacent to CXP, CCIP will increase overall handling capacity by 60% to 16.0 million tons per annum, and expand the current berth length from 1.7 km to 2.8 km. The total land area will also climb, by 35%, to 1.36 sq km and warehousing space by 67% to 175,000 sq m.

Ms May Ng (黄美美), the Group's Chief Executive Officer, said: "The acquisition enhances the facilities we can offer to our customers as well as provides increased capacity for domestic cargoes. By scaling up our port business, we can achieve commercial and operational synergies and efficiency. We are confident of improving returns from the port and creating more shareholder value in the medium term.

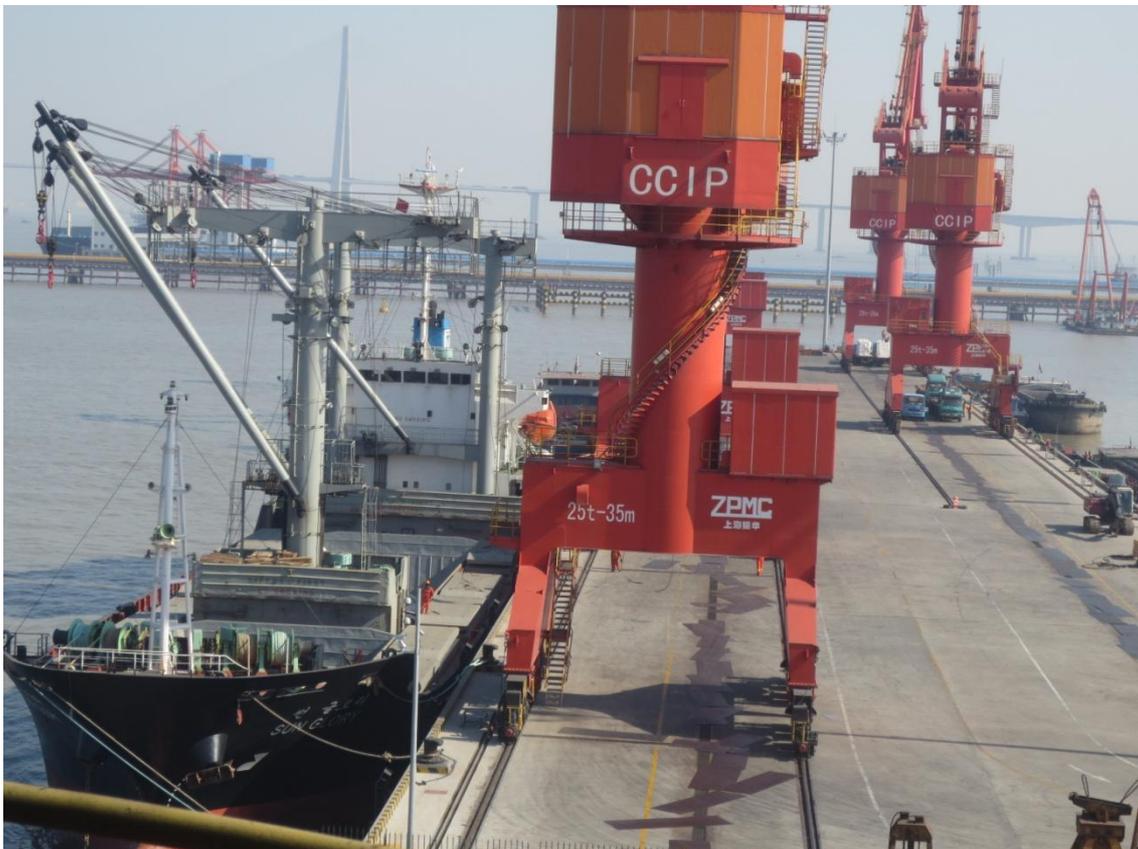
"With two multi-purpose ports in our stable, we expect to increase our market share and boost our position as one of China's key logistics hubs serving the industrial hinterland

along the Yangtze River. This move is also in line with PUC’s strategy to expand its core businesses and raise the Group’s foreign-sourced income.”

Currently among the top 10 river ports in China, CXP is a key hub for pulp, logs and finished steel products for the Chinese market. As at September 2013, CXP handled over 16% of China’s pulp imports and 18% of the nation's log imports from New Zealand.

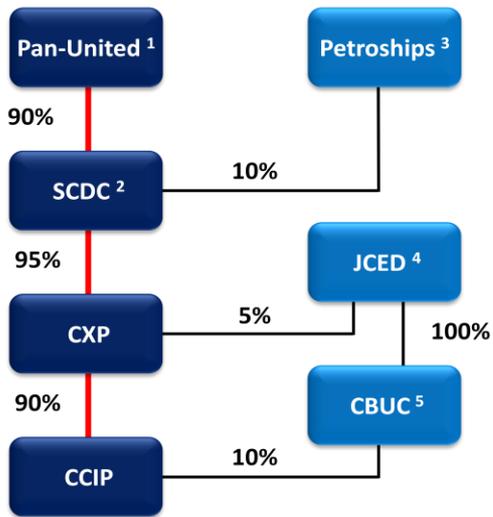
CCIP, which became operational in November 2012, will contribute immediately to PUC’s port revenue. Although CCIP recorded a 30% utilisation rate in FY2013, the Group is positive that by leveraging on CXP’s track record and its strength in handling bulk cargoes, significant volume growth can be achieved for CCIP.

Ms Ng added: “The expanded port will allow us to optimise the joint facilities and operational efficiencies as CXP can focus on larger ships while CCIP will concentrate on smaller vessels and domestic cargo.”



Portal crane and vessel berth at Changshu Changjiang International Port, Yangtze River Delta.

APPENDIX - ORGANIZATIONAL CHART



¹ Pan-United Infrastructure Pte Ltd (wholly-owned by PUC)

² Singapore Changshu Development Company Pte Ltd

³ Petroships Investment Pte Ltd

⁴ Jiangsu Changshu Economic Development Group

⁵ Changshu Binjiang Urban Construction Investment & Management Co., Ltd



ABOUT THE COMPANY

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

Pan-United Corporation Ltd (PUC) is one of Asia’s modern and dynamic enterprises. The Group has an integrated building materials resource business, and operates two multi-purpose ports in China’s high-growth Yangtze River Delta region.

Its Basic Building Resources (BBR) division is the largest cement and ready-mixed concrete (RMC) supplier in Singapore and one of the leading quarry operators in Southeast Asia. This highly integrated building materials resource arm produces and supplies basic building materials, namely cement, aggregate products, RMC and refined petroleum products, to major public infrastructure and private sector projects in Singapore. The division also has a presence in South Vietnam through its RMC operations.

The Shipping division owns a young fleet of tugboats and barges, which carry natural resources such as coal, gypsum, sand and aggregates in Southeast Asia.

Since 1997, PUC’s multi-purpose Changshu Xinghua Port (CXP) in Changshu has driven its Port & Logistics division, and has grown rapidly to become one of China’s top 10 river ports as well as a leading hub for steel, logs and pulp & paper cargo. The newly acquired Changshu Changjiang International Port Co., Ltd (CCIP), located just next door to CXP, will enable the enlarged port under CXP to strengthen its position as one of China’s key logistics hubs.

FOR FURTHER ENQUIRIES

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