



Pan-United Corporation Ltd

(Company Registration No. 199106524G)

Unaudited Condensed Interim Financial Statements
For the Six Months ended 30 June 2023

Pan-United Corporation Ltd

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Pan-United Corporation Ltd

Condensed Interim Consolidated Income Statement
For the Six Months ended 30 June 2023

	Note	Group		Change %
		1H 2023 \$'000	1H 2022* \$'000	
Revenue		360,188	337,363	7
Other income	4a	1,397	1,756	(20)
Raw materials, subcontract costs and other direct costs		(283,540)	(271,054)	5
Staff costs		(30,842)	(25,727)	20
Depreciation and amortisation expenses		(10,976)	(10,652)	3
Other expenses	4b	(17,779)	(15,457)	15
Finance costs		(1,647)	(1,004)	64
Share of results of associate		2,016	3,585	(44)
Profit before income tax from continuing operations	4	18,817	18,810	0
Income tax expense	5	(4,022)	(4,149)	(3)
Profit from continuing operations, net of tax		14,795	14,661	1
Discontinued operations				
Profit/(loss) from discontinued operations, net of tax	6	867	(1,311)	nm
Profit for the period, net of tax		15,662	13,350	17
Attributable to Equity holders of the Company				
Profit from continuing operations, net of tax		15,175	14,518	5
Profit/(loss) from discontinued operations, net of tax		694	(1,049)	nm
Profit for the period attributable to equity holders of the Company		15,869	13,469	18
Non-controlling interests				
(Loss)/profit from continuing operations, net of tax		(380)	143	nm
Profit/(loss) from discontinued operations, net of tax		173	(262)	nm
Loss for the period attributable to non-controlling interests		(207)	(119)	(74)
Profit for the period, net of tax		15,662	13,350	17
Earnings per share for the period from continuing operations attributable to equity holders of the Company (cents per share)				
Basic	a	2.17	2.08	5
Diluted	b	2.17	2.07	5
Earnings per share for the period (cents per share)				
Basic	a	2.27	1.93	18
Diluted	b	2.27	1.92	18

nm: Not meaningful

Notes

- The calculation for the basic earnings per share is based on 697,778,625 (30 June 2022: 699,304,325) weighted average number of shares in issue during the period.
- The calculation for diluted earnings per share is based on 698,573,436 (30 June 2022: 699,905,085) weighted average number of shares in issue plus dilutive potential shares from share options during the period.

*Refer to Note 6. The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations.

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**Condensed Interim Consolidated Statement of Comprehensive Income
For the Six Months ended 30 June 2023**

	Group		Change
	1H 2023	1H 2022*	
	\$'000	\$'000	
Profit for the period, net of tax	15,662	13,350	17
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign currency translation	882	(1,183)	nm
Fair value changes of derivatives	2,246	1,488	51
Other comprehensive income for the period, net of tax	3,128	305	926
Total comprehensive income for the period	18,790	13,655	38
Attributable to			
Equity holders of the Company	18,920	13,741	38
Non-controlling interests	(130)	(86)	51
Total comprehensive income for the period	18,790	13,655	38
Attributable to equity holders of the Company			
Total comprehensive income from continuing operations, net of tax	18,091	14,886	22
Total comprehensive income from discontinued operations, net of tax	829	(1,145)	nm
Total comprehensive income for the period attributable to equity holders of the Company	18,920	13,741	38

nm: Not meaningful

*Refer to Note 6. The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations.

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**Condensed Interim Balance Sheets
As at 30 June 2023**

	Note	Group		Company	
		30 Jun 23 \$'000	31 Dec 22 \$'000	30 Jun 23 \$'000	31 Dec 22 \$'000
Non-current assets					
Property, plant and equipment	8	140,883	147,613	52	53
Intangible assets	9	7,278	8,611	370	370
Subsidiaries		-	-	92,752	92,752
Associate		5,349	4,668	-	-
Other receivables	10	146	144	-	-
Deferred tax assets		442	459	-	-
		154,098	161,495	93,174	93,175
Current assets					
Inventories		16,818	23,183	-	-
Prepayments		2,000	2,353	87	111
Trade and other receivables	10	168,153	152,998	48,456	47,147
Other assets		11,123	8,302	-	-
Derivatives	14	250	-	250	-
Cash and cash equivalents		67,711	64,646	46,122	40,226
Assets of disposal group classified as held for sale		-	8,379	-	-
		266,055	259,861	94,915	87,484
Current liabilities					
Loans and borrowings	11	23,919	27,666	-	-
Lease liabilities		4,522	4,910	-	-
Payables and accruals	12	115,897	106,755	63,579	47,725
Deferred income		829	2,468	-	-
Provisions		1,242	1,242	-	-
Income tax payable		7,549	7,152	37	70
Derivatives	14	-	1,996	-	1,996
Liabilities of disposal group classified as held for sale		-	4,877	-	-
		153,958	157,066	63,616	49,791
Net current assets		112,097	102,795	31,299	37,693
Non-current liabilities					
Loans and borrowings	11	25,451	26,975	-	-
Lease liabilities		7,664	9,456	-	-
Deferred tax liabilities		5,717	5,700	-	-
Provisions		3,759	3,764	-	-
		42,591	45,895	-	-
Net assets		223,604	218,395	124,473	130,868
Equity attributable to equity holders of the Company					
Share capital	13a	12,645	12,645	12,645	12,645
Treasury shares	13b	(1,697)	(1,386)	(1,697)	(1,386)
Reserves		207,141	201,606	113,525	119,609
Reserves of disposal group classified as held for sale		-	(1,442)	-	-
		218,089	211,423	124,473	130,868
Non-controlling interests					
Non-controlling interests		5,515	6,271	-	-
Non-controlling interests of disposal group classified as held for sale		-	701	-	-
Total equity		223,604	218,395	124,473	130,868

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Condensed Interim Statements of Changes in Equity
For the Six Months ended 30 June 2023

Group	Attributable to equity holders of the Company							Non-controlling interests	Non-controlling interests of disposal group classified as held for sale	Total equity
	Share capital (Note 13a) \$'000	Treasury shares (Note 13b) \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Other reserves \$'000	Reserves of disposal group classified as held for sale \$'000	Total reserves \$'000			
2023										
Balance at 1 January 2023	12,645	(1,386)	(1,605)	167,689	35,522	(1,442)	200,164	6,271	701	218,395
Total comprehensive income for the year	-	-	805	15,869	2,246	-	18,920	(130)	-	18,790
Share-based payment	-	-	-	-	83	-	83	-	-	83
Purchase of treasury shares	-	(544)	-	-	-	-	-	-	-	(544)
Reissuance of treasury shares	-	233	-	-	(86)	-	(86)	-	-	147
Dividends on ordinary shares	-	-	-	(9,089)	-	-	(9,089)	-	-	(9,089)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(419)	-	(419)
Disposal of subsidiary (Note 6)	-	-	(2,986)	(1,307)	-	1,442	(2,851)	(207)	(701)	(3,759)
Balance at 30 June 2023	12,645	(1,697)	(3,786)	173,162	37,765	-	207,141	5,515	-	223,604
2022										
Balance at 1 January 2022	12,645	(780)	(1,709)	157,037	37,878	-	193,206	8,408	-	213,479
Total comprehensive income for the year	-	-	(1,216)	13,469	1,488	-	13,741	(86)	-	13,655
Share-based payment	-	-	-	-	76	-	76	-	-	76
Purchase of treasury shares	-	(1,275)	-	-	-	-	-	-	-	(1,275)
Reissuance of treasury shares	-	1,020	-	-	(72)	-	(72)	-	-	948
Dividends on ordinary shares	-	-	-	(7,706)	-	-	(7,706)	-	-	(7,706)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(341)	-	(341)
Balance at 30 June 2022	12,645	(1,035)	(2,925)	162,800	39,370	-	199,245	7,981	-	218,836

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Condensed Interim Statements of Changes in Equity (continued)
For the Six Months ended 30 June 2023

	Share capital (Note 13a) \$'000	Treasury shares (Note 13b) \$'000	Retained earnings \$'000	Other reserves \$'000	Total reserves \$'000	Total equity \$'000
Company						
2023						
Balance at 1 January 2023	12,645	(1,386)	84,087	35,522	119,609	130,868
Total comprehensive income for the year	-	-	762	2,246	3,008	3,008
Share-based payment (share options)	-	-	-	83	83	83
Purchase of treasury shares	-	(544)	-	-	-	(544)
Reissuance of treasury shares	-	233	-	(86)	(86)	147
Dividends on ordinary shares	-	-	(9,089)	-	(9,089)	(9,089)
Balance at 30 June 2023	12,645	(1,697)	75,760	37,765	113,525	124,473
2022						
Balance at 1 January 2022	12,645	(780)	73,799	37,878	111,677	123,542
Total comprehensive income for the year	-	-	561	1,488	2,049	2,049
Share-based payment (share options)	-	-	-	76	76	76
Purchase of treasury shares	-	(1,275)	-	-	-	(1,275)
Reissuance of treasury shares	-	1,020	-	(72)	(72)	948
Dividends on ordinary shares	-	-	(7,706)	-	(7,706)	(7,706)
Balance at 30 June 2022	12,645	(1,035)	66,654	39,370	106,024	117,634

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**Condensed Interim Consolidated Cash Flow Statement
For the Six Months ended 30 June 2023**

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax from continuing operations	18,817	18,810
Profit/(loss) before tax from discontinued operations	867	(1,311)
Profit before tax, total	19,684	17,499
Adjustments for:		
Depreciation expenses	9,613	10,819
Amortisation of intangible assets	1,363	773
Amortisation of upfront fees	36	44
Interest income	(334)	(72)
Interest expense	1,486	808
Loss/(gain) on disposal of property, plant and equipment, net	58	(93)
Loss on disposal of subsidiary (Note 6)	210	–
Impairment loss/(reversal of impairment loss) on trade receivables	1,059	(45)
Reversal of provisions	–	16
Write-down of inventories	4	–
Write-off and impairment of property, plant and equipment	87	40
Write-off and impairment of intangible assets	–	10
Share-based payment expenses	83	76
Share of results of associate	(2,016)	(3,585)
Foreign exchange differences	(442)	(771)
Operating cash flows before changes in working capital	30,891	25,519
Changes in working capital:		
Increase in trade and other receivables	(15,458)	(19,537)
Decrease/(increase) in prepayments	385	(218)
Decrease/(increase) in inventories	5,910	(2,116)
Increase in other assets	(2,821)	(1,698)
Increase in payables, accruals, provisions and employee benefits liability	9,665	3,131
Decrease in deferred income	(1,139)	–
Cash flows from operations	27,433	5,081
Interest paid	(1,477)	(789)
Income tax paid	(3,591)	(4,107)
Interest received	334	72
Net cash flows from operating activities	22,699	257

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Condensed Interim Consolidated Cash Flow Statement (continued)
For the Six Months ended 30 June 2023

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Cash flows from investing activities		
Additions to property, plant and equipment	(4,644)	(3,538)
Additions to intangible assets	(32)	(236)
Proceeds from disposal of property, plant and equipment	110	110
Net cash on disposal of subsidiary (Note 6)	1,158	–
Dividend income from associate	1,335	2,077
Net cash flows used in investing activities	(2,073)	(1,587)
Cash flows from financing activities		
Proceeds from bank borrowings	44,789	61,365
Repayment of bank borrowings	(49,315)	(51,428)
Payment of principal portion of lease liabilities	(3,266)	(3,209)
Purchase of treasury shares	(544)	(1,275)
Proceeds from reissuance of treasury shares	147	948
Dividends paid to shareholders	(9,089)	(7,706)
Dividends paid to non-controlling interests	(419)	(341)
Net cash flows used in financing activities	(17,697)	(1,646)
Net increase/(decrease) in cash and cash equivalents	2,929	(2,976)
Cash and cash equivalents as at beginning of period	64,646	64,149
Effects of exchange rate changes on opening cash and cash equivalents	136	644
Cash and cash equivalents as at end of period	67,711	61,817

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Notes to the Condensed Interim Financial Statements For the Six Months ended 30 June 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.

These condensed interim financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the Group are the supply of ready-mix concrete, cement, granite, aggregates, slag and refined petroleum products, as well as trading of raw materials and bulk shipping (Note 15).

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company's functional currency, and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.1 New accounting standards effective on 1 January 2023

The accounting policies adopted and methods of computation are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2022.

**Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023**

2.2 Use of judgements and estimates (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months ended 30 June 2023.

3. Seasonal operations

The Group's operations were not significantly affected by seasonal or cyclical factors during the period.

4. Profit before income tax from continuing operations

The following items have been included in arriving at profit before income tax from continuing operations:

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
(a) Other income		
(Loss)/gain on disposal of property, plant and equipment	(58)	93
Government grant	257	382
Interest income	327	59
Foreign exchange gain, net	630	34
<hr/>		
(b) Other expenses		
Usage of equipment, maintenance and consumables	5,395	5,012
Utilities and telecommunication charges	4,117	3,837
Impairment loss/(reversal of impairment loss) on trade receivables	1,059	(45)
Write-off and impairment of property, plant and equipment	87	40
Loss on disposal of subsidiary (Note 6)	210	-
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**Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023**

5. Income tax expense

The Group calculates the income tax expense using the tax rate that would be applicable to the total annual earnings. The major components of income tax expense for the six months ended 30 June 2023 and 2022 are:

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Current income tax	3,780	3,596
Deferred income tax	242	553
	<hr/>	<hr/>
Income tax expense attributable to continuing operations	4,022	4,149
	<hr/> <hr/>	<hr/> <hr/>

6. Discontinued operations and disposal of subsidiary

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. The Proposed Disposal was completed on 19 April 2023.

Following the completion of the Proposed Disposal, PTPG ceased to be a subsidiary of the Group. The effects of the disposal to the Group are as follow:

	1H 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
	<hr/>
Assets of disposed subsidiary	9,968
	<hr/> <hr/>
Liabilities	
Payables and accruals	3,220
Employee benefits liability	1,453
Provisions	756
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Liabilities of disposed subsidiary	5,429
	<hr/> <hr/>
Net assets	4,539
	<hr/> <hr/>
Share of net assets of disposed subsidiary	3,659
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**Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023**

6. Discontinued operations and disposal of subsidiary (continued)

	1H 2023
	\$'000
Sales consideration	3,500
Less: Advancement received	(500)
Sales consideration receivable	(2,000)
	<hr/>
Cash consideration received during the current financial period	1,000
Cost of divestment	(51)
Net cash inflow of discontinued operations	209
	<hr/>
Net cash inflow on disposal of subsidiary	1,158
	<hr/> <hr/>
Loss on disposal of subsidiary	
Sales consideration	3,500
Cost of divestment	(51)
Net assets derecognised	(3,659)
	<hr/>
Loss on disposal of subsidiary	(210)
	<hr/> <hr/>

Income statement disclosures

The results of the discontinued operating for the six months ended 30 June 2023 and 2022 are as follows:

	1H 2023	1H 2022
	\$'000	\$'000
Revenue	8,158	14,179
Other income	7	41
Expenses	(7,289)	(15,511)
Finance costs	(9)	(20)
	<hr/>	<hr/>
Profit/(loss) before tax from discontinued operations	867	(1,311)
Income tax expense	–	–
	<hr/>	<hr/>
Profit/(loss) from discontinued operations, net of tax	867	(1,311)
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**Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023**

7. Net asset value per share

	Group		Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
Net asset value per ordinary share (in cents)	31.3	30.3	17.8	18.7

Net asset value per ordinary share is computed based on the total number of issued shares excluding treasury shares.

8. Property, plant and equipment

During the six months ended 30 June 2023, the Group had additions to property, plant and equipment of \$5,767,000 (30 June 2022: \$3,854,000).

Included in the additions to property, plant and equipment are additions to right-of-use assets of \$1,123,000 (30 June 2022: \$296,000).

9. Intangible assets

During the six months ended 30 June 2023, the Group had additions to intangible assets of \$32,000 (30 June 2022: \$236,000).

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Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023

10. Trade and other receivables

	Group		Company	
	30 Jun 23 \$'000	31 Dec 22 \$'000	30 Jun 23 \$'000	31 Dec 22 \$'000
Current				
Trade receivables	162,644	149,456	–	–
Amounts due from subsidiaries	–	–	48,456	47,147
Refundable deposits	2,164	3,185	–	–
Sundry receivables	3,345	357	–	–
	168,153	152,998	48,456	47,147
Non-current				
Refundable deposits	146	144	–	–
Total trade and other receivables	168,299	153,142	48,456	47,147
Add: Cash and cash equivalents	67,711	64,646	46,122	40,226
Total financial assets carried at amortised cost	236,010	217,788	94,578	87,373

Trade receivables (current) increased by \$13.2 million to \$162.6 million as at 30 June 2023, mainly due to the increase in revenue. The increase in sundry receivables is largely due to \$2.0 million proceeds receivable from the disposal of subsidiary (Note 6).

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**Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023**

11. Loans and borrowings

	Group	
	30 Jun 23	31 Dec 22
	\$'000	\$'000
Current		
Secured	11,164	10,074
Unsecured	12,755	17,592
	23,919	27,666
Non-current		
Secured	5,669	7,229
Unsecured	19,782	19,746
	25,451	26,975
Total loans and borrowings (excluding lease liabilities)	49,370	54,641

Certain short and long-term bank loans are secured by mortgages over certain assets of foreign subsidiaries.

As at 30 June 2023, the Group is in a net cash position, compared to a net gearing of 0.02 times as at 31 December 2022.

12. Payables and accruals

	Group		Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	\$'000	\$'000	\$'000	\$'000
Payables and accruals				
Trade payables	90,322	83,648	–	–
Other payables	5,272	5,754	113	143
Accruals	20,303	17,353	1,786	2,759
Amount due to subsidiaries	–	–	61,680	44,823
Total payables and accruals	115,897	106,755	63,579	47,725
Less: Sales tax payables	(3,009)	(1,435)	(66)	(83)
Add: Loans and borrowings (Note 11)	49,370	54,641	–	–
Add: Lease liabilities	12,186	14,366	–	–
Total financial liabilities carried at amortised cost	174,444	174,327	63,513	47,642

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Notes to the Condensed Interim Financial Statements
For the Six Months ended 30 June 2023

13. Share capital and treasury shares

	Group and Company			
	30 Jun 23		31 Dec 22	
	No. of shares units	\$'000	No. of shares units	\$'000
(a) Share capital				
Issued and fully paid ordinary shares				
At the beginning and end of period	701,995,825	12,645	701,995,825	12,645
(b) Treasury Shares				
	2023		2022	
	No. of shares units	\$'000	No. of shares units	\$'000
At 1 January	3,413,200	1,386	2,232,600	780
Reissued for cash:				
- On exercise of employee share options	(483,000)	(196)	(2,921,500)	(1,020)
- On vesting of share awards	(90,000)	(37)	-	-
Purchase of treasury shares	1,377,000	544	3,380,400	1,275
At 30 June	4,217,200	1,697	2,691,500	1,035
Total number of issued shares excluding treasury shares				
At 30 June	697,778,625		699,304,325	

The total number of issued shares excluding treasury shares as at 31 December 2022 was 698,582,625.

The Company acquired 1,377,000 (30 June 2022: 3,380,400) of its ordinary shares by way of on-market purchases and held them as treasury shares during the six months ended 30 June 2023. There were no new shares issued during the six months ended 30 June 2023.

During the six months ended 30 June 2023, 483,000 (30 June 2022: 2,921,500) treasury shares were transferred to employees pursuant to the Pan-United Share Option Scheme and 90,000 (30 June 2022: Nil) treasury shares were transferred for share awards vested under the PUC Share Plan.

There were no subsidiary holdings as at the end of 30 June 2023.

13. Share capital and treasury shares (continued)

(c) Share options

As at 30 June 2023, the number of shares that may be issued on exercise of share options outstanding was 8,996,400 (30 June 2022: 11,385,300).

(d) Share awards

During the six months ended 30 June 2023, the Company granted 658,000 share awards, of which 90,000 share awards were granted and vested immediately to Non-Executive directors.

As at 30 June 2023, the total number of outstanding share awards was 568,000 (30 June 2022: Nil). The vesting period of these share awards is from February 2024 to February 2026.

14. 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.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of assets and liabilities measured at fair value at the end of the reporting period using significant observable inputs other than quoted prices (Level 2):

	30 June 23	31 Dec 22
	\$'000	\$'000
Group and Company		
Financial asset:		
Derivatives:		
- Forward currency contracts	124	–
- Currency option contracts	126	–
	<u>250</u>	<u>–</u>

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14. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value (continued)

	30 June 23 \$'000	31 Dec 22 \$'000
Financial liability:		
Derivatives:		
- Forward currency contracts	–	1,972
- Currency option contracts	–	24
	–	1,996

15. 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 supplies mainly 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 and bulk shipping.
- (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.

(a) Geographical information (continuing operations)

Revenue information based on the geographical location of customers respectively for the six months ended 30 June 2023 and 30 June 2022 are as follows:

	Group	
	1H 2023 \$'000	1H 2022 \$'000
Singapore	473,138	431,495
Others	43,648	44,561
Eliminations	(156,598)	(138,693)
Total	360,188	337,363

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15. Segment information (continued)

(b) Business segments (continuing operations)

The following tables present revenue and results information regarding the Group's business segments from continuing operations for the six months ended 30 June 2023 and 30 June 2022.

	Concrete and Cement \$'000	Trading and Shipping \$'000	Others \$'000	Eliminations \$'000	Group \$'000
1H 2023					
Revenue					
External sales	350,661	9,527	–	–	360,188
Inter-segment sales	–	1,345	–	(1,345)	–
Total revenue	350,661	10,872	–	(1,345)	360,188
Results					
Segment results	34,990	650	(6,713)	–	28,927
Interest income	180	–	147	–	327
Depreciation expenses	(9,490)	(1)	(122)	–	(9,613)
Amortisation of intangible assets	(198)	–	(1,165)	–	(1,363)
Interest expense	(1,477)	–	–	–	(1,477)
Share of results of associate	–	–	2,016	–	2,016
Profit/(loss) before tax from continuing operations	24,005	649	(5,837)	–	18,817
Income tax expense	(3,644)	(76)	(302)	–	(4,022)
Profit/(loss) for the period from continuing operations	20,361	573	(6,139)	–	14,795
Attributable to:					
Equity holders of the Company	20,973	341	(6,139)	–	15,175
Non-controlling interests	(612)	232	–	–	(380)
	20,361	573	(6,139)	–	14,795

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15. Segment information (continued)

(b) Business segments (continuing operations) (continued)

	Concrete and Cement \$'000	Trading and Shipping \$'000	Others \$'000	Eliminations \$'000	Group \$'000
1H 2022					
Revenue					
External sales	330,108	7,255	–	–	337,363
Inter-segment sales	–	1,622	–	(1,622)	–
Total revenue	330,108	8,877	–	(1,622)	337,363
Results					
Segment results	31,571	374	(5,339)	–	26,606
Interest income	59	–	–	–	59
Depreciation expenses	(9,728)	(1)	(150)	–	(9,879)
Amortisation of intangible assets	(97)	–	(676)	–	(773)
Interest expense	(788)	–	–	–	(788)
Share of results of associate	–	–	3,585	–	3,585
Profit/(loss) before tax from continuing operations	21,017	373	(2,580)	–	18,810
Income tax expense	(3,558)	(53)	(538)	–	(4,149)
Profit/(loss) for the period from continuing operations	17,459	320	(3,118)	–	14,661
Attributable to:					
Equity holders of the Company	17,491	145	(3,118)	–	14,518
Non-controlling interests	(32)	175	–	–	143
	17,459	320	(3,118)	–	14,661

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15. Segment information (continued)

(c) Business segments (continuing operations) (continued)

	Concrete and Cement \$'000	Trading and Shipping \$'000	Others \$'000	Eliminations \$'000	Group \$'000
30 June 2023					
Balance Sheet					
Segment assets	349,687	2,875	54,964	–	407,526
Investment in associate	–	–	5,349	–	5,349
Intangible assets	1,322	–	5,956	–	7,278
Total assets	351,009	2,875	66,269	–	420,153
Segment liabilities	132,420	438	2,135	–	134,993
Lease liabilities	12,186	–	–	–	12,186
Loans and borrowings	49,370	–	–	–	49,370
Total liabilities	193,976	438	2,135	–	196,549
Other segment information					
Additions to non-current assets	5,555	–	244	–	5,799
31 December 2022					
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

16. Subsequent events

There are no known subsequent events which have led to the adjustments to this set of condensed interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim statement of financial position of the Group as at 30 June 2023 and the related interim consolidated profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the six months ended 30 June 2023 and selected explanatory notes have not been audited or reviewed by our auditors.

2. Review of Year to date performance of the Group

In 1H 2023, the Group registered a net attributable profit of \$15.9 million, an increase from \$13.5 million in 1H 2022. The net attributable profit from continuing operations increased from \$14.5 million to \$15.2 million in 1H 2023.

The Group reported a revenue of \$360.2 million in 1H 2023, an increase of 7% from \$337.4 million in 1H2022, driven primarily by the Concrete and Cement business.

Revenue increased in tandem with the higher cost of doing business. Other than the cost of raw materials, subcontract costs and other direct costs, which had increased by 5% yoy, the Group also faced higher staff cost and interest expense due to a higher interest rate environment, in 1H 2023.

The Group's EBITDA was at \$28.9 million in 1H 2023, up from \$26.6 million in 1H 2022 and the EBITDA margin remained comparable yoy.

The share of results of associate decreased by 44% yoy to \$2.0 million in 1H 2023, compared to \$3.6 million in 1H 2022 due to lower sales volume.

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

Not applicable.

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

The Building and Construction Authority has projected Singapore's total construction demand in 2023 to range between \$27 billion and \$32 billion, compared to \$29.8 billion in 2022.

Although Singapore's construction industry continues to face ongoing labour shortages, high construction and financing costs, the construction activity is expected to remain healthy for the remaining 2023.

In Malaysia, growth in the construction sector continues to be muted due to the delayed approval of projects within the revised Budget 2023. In addition, the sector continues to face ongoing labour shortages and high building material costs, amidst global economic uncertainty. However, bright spots remain, such as the Mass Rapid Transit 3, amongst others.

In Vietnam, the construction industry is facing headwinds due to the slow disbursement of public investment funds, weakness in the property market, and high costs of building materials.

5. **If a decision regarding dividend has been made:**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

Name of dividend: Interim
Dividend type: Cash
Dividend rate: S\$0.005 per ordinary share
(One-tier tax exempt)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend: Interim
Dividend type: Cash
Dividend rate: S\$0.005 per ordinary share
(One-tier tax exempt)

(c) Date payable

The interim dividend will be paid on 30 August 2023.

(d) Record date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 23 August 2023 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 23 August 2023 will be registered before entitlements to the dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 23 August 2023 will be entitled to the dividend.

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

The Group does not have a general mandate from shareholders for interested person transactions.

7. **Negative confirmation pursuant to Rule 705(5).**

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited condensed interim financial statements for the period ended 30 June 2023 to be false or misleading in any material aspect.

8. **Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

Kevin Cho
Company Secretary
10 August 2023