



PAN-UNITED CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration No: 199106524G)

REDUCTION OF SHAREHOLDING IN SUBSIDIARY

The Board of Directors ("**Directors**") of Pan-United Corporation Ltd (the "**Company**") wishes to announce that its wholly-owned indirect subsidiary, Resources Development (2010) Pte. Ltd. ("**RD**") has transferred 63,367,647 shares in PT Pacific Granitama ("**PTPG**"), representing approximately 31% of the total issued and paid-up capital stock of PTPG ("**Sale Shares**"), to PT Sandico Synergy Resources ("**PTSSR**"), its existing joint venture partner in PTPG (the "**Transaction**").

Post-completion of the Transaction, the Company, through RD, owns approximately 49% and PTSSR owns approximately 51% of the total issued and paid-up capital stock of PTPG respectively. Notwithstanding the Transaction, PTPG will still be considered a subsidiary of the Company.

The rationale for the Transaction is to comply with the foreign ownership restrictions for mining companies (such as PTPG) under Indonesian law.

The consideration for the Transaction was US\$2,232,000 (the "**Consideration**") (which is equivalent to approximately S\$3,104,712 based on an exchange rate of US\$1:S\$1.391), which is payable under a promissory note issued by PTSSR to RD. The Consideration was arrived at on a willing-buyer and willing-seller basis taking into account, amongst other factors, the book value and net tangible asset value of the Sale Shares as disclosed below.

Based on the latest unaudited financial statements of the Company and its subsidiaries as at 31 March 2017, the book value of the Sale Shares is approximately S\$3,002,000. The net tangible asset value of the Sale Shares is approximately S\$3,547,000. No valuation was conducted for the Transaction.

The Transaction is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the current financial year ending 31 December 2017.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Transaction.

By Order of the Board

Cho Form Po
Company Secretary
2 June 2017