



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

## **ANNOUNCEMENT**

### **ACQUISITION OF LAND IN MALAYSIA**

#### **1. INTRODUCTION**

The Board of Directors of Pan-United Corporation Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its indirect wholly-owned subsidiary, Meridian Maplestar Sdn. Bhd. ("**MMS**"), has acquired a 60-year leasehold industrial land in Johor Bahru, Malaysia (the "**Property**") from Johor Corporation.

MMS is a Malaysia-incorporated company and is owned jointly by the Company's wholly-owned subsidiaries, Pan-United Industries Pte Ltd and Pan-United Concrete Pte Ltd.

Johor Corporation is a state investment corporation established by the Johor State Government.

#### **2. CONSIDERATION FOR THE ACQUISITION**

The consideration for the purchase of the Property was MYR10.6 million (approximately S\$4.2 million) (the "**Land Consideration**"), which was paid in cash. The Land Consideration was entirely funded by internal funds.

The Land Consideration was arrived at after arm's length negotiations and the best offer made by Johor Corporation.

#### **3. INFORMATION ON THE PROPERTY**

The Property is a leasehold estate of 60 years tenure commencing 18 June 2014.

The book value of the Property has been recognized at about MYR10.9 million (approximately S\$4.3 million) (the "**Book Value**"), which comprises the Land Consideration and transactional costs incurred for the acquisition.

#### 4. RATIONALE FOR THE ACQUISITION

The acquisition of the Property is in line with the Group's plans to expand its cement, aggregates and ready mixed concrete ("**RMC**") businesses in the Southeast Asian region.

The Group plans to use the Property for manufacturing of RMC and slag, a cementitious material mainly for use in the Group's Singapore RMC business.

It is intended that the development of the Property for the foregoing purposes will be carried out over the next two years. The aggregate investment cost, including the Land Consideration, is projected to be around S\$55.0 million (the "**Projected Investment Cost**"), and is intended to be funded by a combination of internal funds and external borrowings.

#### 5. FINANCIAL EFFECTS

The acquisition of the Property is not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the financial year ending 31 December 2014.

The Projected Investment Cost of developing the Property is also not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the financial year ending 31 December 2014.

#### 6. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE SGX-ST LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST for the acquisition of the Property are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figure</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable. Rule 1006 (a) is not applicable to an acquisition of assets.
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable. No profits are attributable to the Property.
(c)	The aggregate value of the consideration given or received,	0.78%

	compared with the Company's market capitalisation <sup>(1)</sup>	
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable. Land Consideration is paid in cash.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable to the Group.

Note:

- (1) The relative figure for Rule 1006(3) was calculated based on the Book Value of approximately S\$4.3 million, and the Company's market capitalisation of S\$556,200,473 as at 9 September 2014, being the market day preceding the date of this announcement.

For illustrative purposes only, had the relative figure for Rule 1006(3) been computed based on the Projected Investment Cost instead, it would have been 9.9%.

## **6. INTEREST(S) OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect in the acquisition of the Property or the projected investment to develop the Property.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the sales and purchase agreement will be made available for inspection during the normal business hours at the Company's registered office for a period of 3 months from the date of this announcement.

By Order of the Board

N. Shoba  
Company Secretary

Date: 10 September 2014