**Securities Investors Association (Singapore)**
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UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** Pan-United Corporation Ltd.

**Stock code:** P52

**Meeting details:**
Date: 23 June 2020
Time: 2.30 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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**Q1**. As disclosed in the performance review of the group's Singapore business (page 14 of the annual report), the group had a good year supplying high volumes of specialised concrete products across diverse sectors, such as large-scale infrastructure projects, commercial developments and institutions.

According to an earlier Building and Construction Authority (BCA) report in January 2020, the total construction demand in 2020 is estimated to range between $28 billion and $33 billion. Ready-mix concrete demand was projected to grow by 16% to approximately 14-15 million $m^3$.

(i) **Would management be providing shareholders with an update on the group's operations due to the government measures to stop the spread of the COVID-19 outbreak?**

(ii) **How does the group house its foreign workers?**

(iii) **Given the disruption to the construction industry, what are the levers available to the group to minimise the operational and financial impact?** Even after the relaxation of the circuit breaker rules, a safe and controlled restart of the construction sector will see a gradual resumption of construction activities. For the month of June, BCA expects only 10% of the construction workforce to return to work.

(iv) **Are there opportunities to further consolidate the group's market leadership position during this challenging time?**

(v) **Does the group see any silver lining during this challenging time?**

**Q2.** As noted in the chairman's message, the group achieved a breakthrough in 'tech-rupting' the industry with technology platforms that can be shared with other players regionally and even globally.

The group launched the goTruck! platform to allow transportation companies, construction firms and building materials suppliers to better manage their resources. This perhaps could be thought of as a "uber" for tipper trucks.

The group also succeeded in getting traction for its evolutionary intelligent optimisation platform, Artificial Intelligence for Ready-Mix Concrete or AiR. Offered as a software as a service (SaaS), the group signed up South Korea's largest ready-mix concrete company, Eugene Corporation, to its AiR platform to optimise the operational supply chain through the digitalisation of its entire end-to-end operations.

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(i) **Can management help shareholders understand the business case for its "tech-ruption"? Are the services and platforms going to grow into significant contributors of revenue and profit for the group?**

(ii) **Would AiR be particularly useful as the construction sector gradually gets back on its feet?**

(iii) **Still on the topic of innovation, how does the group commercialise its wide range of specialised sustainable concrete that the group develops in its Innovation Centre?**

**Q3.** At the annual general meeting scheduled to be held on 23 June 2020, Mr Ch'ng Jit Koon has decided not to seek re-election and will retire as a director of the company.

Mr Ch'ng Jit Koon has been the chairman of Pan-United Corporation Ltd since April 1997.

In addition, the dates of first appointment and other details of the directors are shown on page 30 of the annual report and reproduced below:

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 |
|---|---|---|---|---|
| Ch'ng Jit Koon | 86 | Chairman, Independent Director | 01/04/1997 | 26/04/2017 |
| Patrick Ng Bee Soon | 57 | Deputy Chairman | 25/05/1993 | 26/04/2017 |
| Ng Bee Bee | 52 | Chief Executive Officer | 31/01/2004 | 29/04/2019 |
| Cecil Vivian Richard Wong | 97 | Independent Director | 01/10/1992 | 26/04/2018 |
| Tay Siew Choon | 72 | Independent Director | 01/02/2005 | 29/04/2019 |
| Soh Ee Beng | 52 | Independent Director | 17/12/2018 | 29/04/2019 |
| Fong Yue Kwong | 67 | Independent Director | 01/03/2020 | - |

(Source: company annual report)

The average age of the independent directors is approximately 75 years old. The company newly appointed Mr Soh Ee Beng and Mr Fong Yue Kwong as independent directors in December 2018 and March 2020 respectively. The average tenure of the other independent directors is approximately 22 years.

(i) Mr Ch'ng Jit Koon is set to retire as chairman of the board after more than 23 years. **Would the nominating committee elaborate further on the succession plans for directors, especially the chairman? How would the board be selecting the new chairman?**

In the company's response to queries raised by SGX-ST dated 27 April 2020, the company has stated that it has not adopted a formal board diversity policy but the company recognises and embraces the importance and benefits of having a diverse board to enhance the quality of its performance.

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(ii) **Would the NC consider formalising the company's current practices, and to incorporate other best practices, into a formal board diversity policy?**

In addition, in the company's Report on Corporate Governance, it was stated that the NC will take the lead in identifying, evaluating and selecting suitable candidates as new directors for the board's consideration. The NC may engage, if necessary, external search consultants or other advisers to assist with the identifying and short-listing of potential candidates.

(iii) **Would the NC elaborate further on how its search and nomination process would support board diversity? Would the NC consider making use of a professional search firm as the default practice to enable the board to cast its net wider and further improve the diversity of the candidate pool?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)