



PAN-UNITED CORPORATION LTD

(Incorporated in the Republic of Singapore)

(Company Registration No: 199106524G)

RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS AND THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING

The Board of Directors of Pan-United Corporation Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to provide the following information in response to questions received from shareholders of the Company and the Securities Investors Association (Singapore) ("SIAS") prior to the upcoming annual general meeting for its financial year ended 31 December 2025 to be held on Thursday, 23 April 2026 at 10.00 am at Suntec Singapore Convention & Exhibition Centre, Meeting Room Nicoll 1, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593.

Questions from shareholders

1. **Why is there a large addition of \$10.568 million of provisions and especially so with a larger portion of it current than non-current?**

The additions relate to estimated reinstatement costs provided for newly leased land, as well as increased projected cost for reinstating certain land sites, where the requirements are more complex.

A larger portion of the provisions is classified as current, as the related lease terms are expected to end within 12 months from 31 December 2025. Any renewal or extension of these leases will only be determined in 2026 and closer to their respective expiry dates.

2. **With Air Digital/AiM doing good, could Management elaborate more about the \$1.87 million write-off of intangibles (developed technology)? Is it related to the GoTruck intangibles?**

Intangible assets amounting to a net book value of \$1.35 million (Cost: \$1.87 million) were written off during the year. In light of technological advancement and the adoption of newer technologies, certain systems developed in prior years were written off as they were no longer in use. These systems were not related to GoTruck.

3. **With interest rates generally lower in 2025, how is interest income from financial assets higher by ~30% YoY in FY2025 compared to FY2024?**

The increase in interest income was primarily due to higher cash generation during the year, which was placed in SGD and USD denominated fixed deposits and money market instruments to generate a higher interest income.

Questions from SIAS

1. Revenue for the financial year ended 31 December 2025 increased by 11% to \$898.4 million while EBITDA¹ increased by 32% to \$99.1 million, possibly indicating improved operating leverage and potential benefits from the Group's digital solutions.

For FY2025, the Group generated a return on shareholders' funds of 18.3%.

- (i) **How much more growth can the Group support without requiring significant capital expenditure?**

The Group had incurred capital expenditure of \$48.0 million in FY2025, representing a significant increase compared to previous years. In FY2026, the Group expects to incur capital expenditure based on our business plans. These investments will continue to support the Group's core business, which remains closely aligned with the construction demand in Singapore from ongoing and upcoming projects.

The Group has positioned itself as a leader² in low-carbon concrete solutions, including early adoption of carbon-mineralised concrete technologies, which may provide a competitive advantage as sustainability requirements become more prominent in construction.

- (ii) **While FiCO Pan-United has already deployed PanU CMC+ for key projects in Ho Chi Minh City, Vietnam, has the Group brought this green concrete capability to Malaysia? How feasible is it to leverage this technology as a springboard for entry into other Asian markets?**

The Group offers low carbon concrete, including PanU CMC+ to our customers in Malaysia. Currently, the Group's primary focus for PanU CMC+ is on deploying it across the existing ready-mix concrete footprint in Singapore, Malaysia and Vietnam.

- (iii) **To what extent are sustainability requirements, such as low-carbon materials, becoming embedded in tender specifications for major infrastructure projects (such as the Changi Airport Terminal 5 development and various MRT line extensions), and how does this position the Group competitively in securing such contracts?**

Public and private sector projects are encouraged, through the Singapore Green Plan 2030 and the BCA Green Mark 2021 Scheme, to adopt sustainability initiatives, including the adoption of low carbon concrete.

¹ Earnings before interest, tax, depreciation and amortisation

² The Group was the first in Asia and the first outside North America to adopt CarbonCure's carbon-mineralised concrete technology. According to management, the Group has now become one of the world's biggest producers of this concrete and thus contributes significantly to CO₂ savings worldwide.

2. For the financial year, depreciation expense increased materially from \$21.5 million to \$30.2 million. The increase was largely driven by higher depreciation on leasehold land, which rose from \$8.2 million to \$15.0 million. In addition, the Group recognised a write-off of \$13.5 million relating to leasehold land.

10. Property, plant and equipment

Group	Leasehold land \$'000	Leasehold buildings \$'000	Plant and machinery \$'000	Other assets \$'000	Construction-in-progress \$'000	Total \$'000
Cost						
At 1 January 2024	73,709	27,361	214,620	16,585	1,404	333,679
Additions	12,135	154	11,591	1,500	3,764	29,144
Disposals	–	–	(3,798)	(5)	–	(3,803)
Write-off	(50)	–	(14,911)	(1,566)	–	(16,527)
Reclassification	15	–	892	6	(913)	–
Exchange differences	164	215	3,088	123	3	3,593
At 31 December 2024	85,973	27,730	211,482	16,643	4,258	346,086
Additions	15,294	7,433	13,527	4,612	25,097	65,963
Disposals	–	–	(1,247)	(18)	–	(1,265)
Write-off	(13,455)	–	(9,704)	(1,440)	(44)	(24,643)
Reclassification	2,276	335	439	15	(3,065)	–
Exchange differences	(32)	150	1,864	83	3	2,068
At 31 December 2025	90,056	35,648	216,361	19,895	26,249	388,209
Accumulated depreciation						
At 1 January 2024	35,247	9,603	113,303	11,988	–	170,141
Depreciation charge for the year	8,190	913	10,673	1,697	–	21,473
Disposals	–	–	(3,531)	(5)	–	(3,536)
Write-off	(50)	–	(13,436)	(1,555)	–	(15,041)
Exchange differences	30	74	557	66	–	727
At 31 December 2024	43,417	10,590	107,566	12,191	–	173,764
Depreciation charge for the year	15,008	1,204	11,429	2,595	–	30,236
Disposals	–	–	(1,075)	(18)	–	(1,093)
Write-off	(13,264)	–	(9,002)	(1,385)	–	(23,651)
Reclassification	1,438	–	(1,438)	–	–	–
Exchange differences	(87)	63	168	27	–	171
At 31 December 2025	46,512	11,857	107,648	13,410	–	179,427
Net carrying amount						
At 31 December 2024	42,556	17,140	103,916	4,452	4,258	172,322
At 31 December 2025	43,544	23,791	108,713	6,485	26,249	208,782

(Source: company annual report; emphasis added)

- (i) Can management explain the key drivers behind the increase in depreciation, particularly the near doubling of leasehold land depreciation, and whether this reflects new asset additions, changes in useful life assumptions, or asset impairments? Going forward, should unitholders expect depreciation to remain at or around the current level as a new base?

The increase in depreciation was mainly attributable to significant additions of \$66.0 million in property, plant and equipment, including right-of-use assets and provision for reinstatement cost in FY2025. Based on the Group's existing assets, depreciation is expected to remain at around the current level.

- (ii) Which specific assets triggered the \$13.5 million write-off, and what was the underlying cause? Does this issue affect the Group's remaining leasehold land holdings?

Leasehold land amounting to net book value of \$191,000 (Cost: \$13.5 million) were written off during the year following the expiry of the respective lease terms. This write-off does not affect the Group's remaining leasehold land holdings.

3. The Group has outsourced its internal audit function to PricewaterhouseCoopers LLP (PwC) since 2010.

(i) Can the audit committee elaborate on the scope and coverage of the internal audit function in FY2025, including the key risk areas prioritised and the rationale for their selection?

(ii) Were material foreign operating subsidiaries, such as those in Malaysia and Vietnam, included in the internal audit? If so, how were these audits executed?

(iii) What were the key findings and the recommendations made by the internal auditor?

An internal audit plan covering a two-year period (FY2025 – FY2026) was approved by the Audit Committee (AC). The plan encompasses all material entities within the Group, including subsidiaries in Malaysia and Vietnam. The internal audit review focuses on the key business and control processes of these entities as well as the Group's enterprise risk management and sustainability reporting processes. The internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including those of its subsidiaries in Malaysia and Vietnam.

There were no major concerns noted for the internal audit for FY2025. The findings were mainly related to enhancing documentation and strengthening certain operational processes.

(iv) Is there a formal policy for the periodic rotation of the partner leading the internal audit engagement, and how does the audit committee assess whether such rotation is sufficient to maintain independence, objectivity, and fresh challenge?

The outsourcing of the internal audit function to an external professional firm supports the independence and objectivity of the internal audit function, while allowing the Group to benefit from the firm's expertise. The AC is of the view that independence, effectiveness, objectivity and the provision of fresh perspectives are adequately maintained through its ongoing oversight of the internal audit function. The Group does not have a formal policy mandating the periodic rotation of the partner leading the internal audit engagement.

By order of the Board

Kevin Cho
Company Secretary
17 April 2026