



PSC Corporation Ltd

Company registration No: 197400888M
(Incorporated in the Republic of Singapore)

PSC Corporation Ltd. and its subsidiaries

Condensed interim financial statements For the six months ended 30 June 2023

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A. Consolidated statement of profit or loss and comprehensive income

Consolidated statement of profit or loss

	Note	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000	Change %
Revenue	4	238,306	281,424	(15.3)
Cost of sales		(185,584)	(221,913)	16.4
Gross profit		<u>52,722</u>	<u>59,511</u>	(11.4)
Other income		1,179	4,718	(75.0)
Distribution expenses		(22,926)	(24,694)	7.2
Administrative expenses		(16,604)	(18,824)	11.8
(Write back)/Allowance for impairment of receivables		245	(436)	n.m.
Other expenses		(361)	(173)	(108.7)
Results from operating activities		<u>14,255</u>	<u>20,102</u>	(29.1)
Finance income		3,076	962	219.8
Finance costs		(876)	(1,297)	32.5
Net finance income/(costs)	6	<u>2,200</u>	<u>(335)</u>	n.m.
Profit before tax	6	16,455	19,767	(16.8)
Tax expense	7	(3,085)	(2,625)	(17.5)
Profit for the period		<u>13,370</u>	<u>17,142</u>	(22.0)
Profit attributable to:				
Owners of the Company		9,781	12,667	(22.8)
Non-controlling interests		3,589	4,475	(19.8)
Profit for the year		<u>13,370</u>	<u>17,142</u>	(22.0)
Earnings per share (cents)				
Basic earnings per share		1.78	2.29	
Diluted earnings per share		1.78	2.29	

n.m. – Not meaningful

A. Consolidated statement of profit or loss and comprehensive income (cont'd)

Consolidated statement of comprehensive income

	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000
Profit for the year	13,370	17,142
Other comprehensive income – items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences of foreign operations	(5,994)	(3,901)
Translation differences of subsidiary reclassified to retained earnings on de-consolidation	–	(3,059)
Other comprehensive income for the year, net of tax	(5,994)	(6,960)
Other comprehensive income – items that will not be reclassified subsequently to profit or loss		
Equity investment FVOCI – net change in fair value	1	–
Other comprehensive income for the year, net of tax	1	–
Total comprehensive income for the year	7,377	10,182
Total comprehensive income attributable to:		
Owners of the Company	5,783	7,356
Non-controlling interests	1,594	2,826
Total comprehensive income for the year	7,377	10,182

B. Statements of financial position

	Note	Group		Company	
		Jun 2023 \$'000	Dec 2022 \$'000	Jun 2023 \$'000	Dec 2022 \$'000
Assets					
Property, plant and equipment	11	162,944	164,802	44,996	45,623
Intangible assets	12	3,401	3,502	–	–
Investment properties	13	581	619	–	–
Subsidiaries		–	–	40,278	37,418
Associates		–	–	–	–
Other financial assets	10	74	73	74	73
Deferred tax assets		3,867	3,685	–	–
Trade and other receivables		220	17	–	–
Non-current assets		171,087	172,698	85,348	83,114
Other financial assets	10	550	601	550	601
Current tax assets		270	673	–	–
Inventories		42,006	52,855	–	–
Trade and other receivables		115,720	134,338	31,553	22,733
Cash and cash equivalents		195,791	194,007	81,782	97,163
Current assets		354,337	382,474	113,885	120,497
Total assets		525,424	555,172	199,233	203,611
Equity					
Share capital	15	177,737	180,099	177,737	180,099
Reserves		135,921	133,329	2,388	4,506
Equity attributable to owners of the Company		313,658	313,428	180,125	184,605
Non-controlling interests		79,202	84,777	–	–
Total equity		392,860	398,205	180,125	184,605
Liabilities					
Loans and borrowings	14	21,945	21,022	13,363	13,146
Other payable		800	800	–	–
Deferred income		1,517	1,727	178	206
Deferred tax liabilities		4,547	4,825	–	–
Non-current liabilities		28,809	28,374	13,541	13,352
Loans and borrowings	14	45,015	57,780	349	334
Current tax liabilities		4,844	4,038	–	–
Trade and other payables		53,553	66,417	5,162	5,264
Deferred income		343	358	56	56
Current liabilities		103,755	128,593	5,567	5,654
Total liabilities		132,564	156,967	19,108	19,006
Total equity and liabilities		525,424	555,172	199,233	203,611



C. Statements of changes in equity

Group	Attributable to owners of the Company							Non-controlling interests \$'000	Total equity \$'000	
	Share capital \$'000	Treasury shares \$'000	Other reserves \$'000	Statutory reserves \$'000	Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000			Total \$'000
At 1 January 2022	184,325	(4,226)	237	12,668	47	2,017	113,713	308,781	84,623	393,404
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	12,667	12,667	4,475	17,142
Other comprehensive income										
Foreign currency translation differences of foreign operations	-	-	-	-	-	(2,252)	-	(2,252)	(1,649)	(3,901)
Translation differences of subsidiary reclassified to profit or loss upon deconsolidation	-	-	-	-	-	(3,059)	-	(3,059)	-	(3,059)
Total other comprehensive income	-	-	-	-	-	(5,311)	-	(5,311)	(1,649)	(6,960)
Total comprehensive income for the year	-	-	-	-	-	(5,311)	12,667	7,356	2,826	10,182
Transactions with owners, recognised directly in equity										
Distributions to owners										
Dividends paid (Note 8)	-	-	-	-	-	-	(2,767)	(2,767)	(1,417)	(4,184)
Total distributions to owners	-	-	-	-	-	-	(2,767)	(2,767)	(1,417)	(4,184)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	135	135
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	(218)	(218)	218	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(218)	(218)	353	135
Total transactions with owners	-	-	-	-	-	-	(2,985)	(2,985)	(1,064)	(4,049)
At 30 June 2022	184,325	(4,226)	237	12,668	47	(3,294)	123,395	313,152	86,385	399,537



C. Statements of changes in equity (cont'd)

Group	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Treasury shares	Other reserves	Statutory reserves	Fair value reserve	Translation reserve	Retained earnings			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2023	184,325	(4,226)	1,586	12,731	52	(7,662)	126,622	313,428	84,777	398,205
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	9,781	9,781	3,589	13,370
Other comprehensive income										
Foreign currency translation differences of foreign operations	-	-	-	-	-	(3,999)	-	(3,999)	(1,995)	(5,994)
Net change in fair value – equity investments at FVOCI	-	-	-	-	1	-	-	1	-	1
Total other comprehensive income	-	-	-	-	1	(3,999)	-	(3,998)	(1,995)	(5,993)
Total comprehensive income for the year	-	-	-	-	1	(3,999)	9,781	5,783	1,594	7,377
Transactions with owners, recognised directly in equity										
Distributions to owners										
Dividends paid (Note 8)	-	-	-	-	-	-	(5,473)	(5,473)	(2,027)	(7,500)
Purchase of treasury shares (Note 15)	-	(2,362)	-	-	-	-	-	(2,362)	-	(2,362)
Total distributions to owners	-	(2,362)	-	-	-	-	(5,473)	(7,835)	(2,027)	(9,862)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control (Note 17)	-	-	-	-	-	(384)	2,666	2,282	(5,142)	(2,860)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(384)	2,666	2,282	(5,142)	(2,860)
Total transactions with owners	-	(2,362)	-	-	-	(384)	(2,807)	(5,553)	(7,169)	(12,722)
At 30 June 2023	184,325	(6,588)	1,586	12,731	53	(12,045)	133,596	313,658	79,202	392,860



C. Statements of changes in equity (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2022	184,325	(4,226)	47	(1,108)	179,038
Total comprehensive income for the year					
Profit for the year	–	–	–	5,780	5,780
Other comprehensive income					
Net change in fair value – equity investments at FVOCI	–	–	–	–	–
Total other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	–	–	5,780	5,780
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(2,767)	(2,767)
Total distributions to owners	–	–	–	(2,767)	(2,767)
Total transactions with owners	–	–	–	(2,767)	(2,767)
At 30 June 2022	184,325	(4,226)	47	1,905	182,051



C. Statements of changes in equity (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2023	184,325	(4,226)	52	4,454	184,605
Total comprehensive income for the year					
Profit for the year	–	–	–	3,354	3,354
Other comprehensive income					
Net change in fair value – equity investments at FVOCI	–	–	1	–	1
Total other comprehensive income	–	–	1	–	1
Total comprehensive income for the year	–	–	1	3,354	3,355
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(5,473)	(5,473)
Purchases of treasury shares	–	(2,362)	–	–	(2,362)
Total distributions to owners	–	(2,362)	–	(5,473)	(7,835)
Total transactions with owners	–	(2,362)	–	(5,473)	(7,835)
At 30 June 2023	184,325	(6,588)	53	2,335	180,125

D. Consolidated statement of cash flows

	Note	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000
Cash flows from operating activities			
Profit for the year		13,370	17,142
Adjustments for:			
Amortisation of deferred income	6	(194)	(236)
Amortisation of intangible assets	6	67	–
Depreciation of investment properties	6	9	10
Depreciation of property, plant and equipment	6	7,607	8,007
Dividend income	6	(2)	(2)
Gain on de-consolidation of subsidiaries	6	–	(3,497)
Loss on disposal of property, plant and equipment	6	266	115
(Write back)/Allowance for impairment of receivables		(245)	436
Interest income	6	(3,074)	(960)
Interest expense	6	825	1,180
Inventories (write back)/written down	6	(378)	313
Net decrease in fair value of financial assets at fair value through profit or loss	6	51	117
Property, plant and equipment written off	6	58	55
Tax expense	7	3,085	2,625
Unrealised exchange loss/(gain)		402	(57)
		21,847	25,248
Changes in:			
Inventories		10,158	1,527
Trade and other receivables		16,405	(4,715)
Trade and other payables		(11,924)	(4,746)
Cash generated from operations		36,486	17,314
Tax paid		(2,249)	(2,476)
Net cash from operating activities		34,237	14,838
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	17	–	929
Acquisition of non-controlling interests	17	(2,860)	–
Dividend received		2	2
Interest received		2,094	595
Proceeds from disposal of property, plant and equipment		153	325
Purchase of property, plant and equipment		(7,506)	(15,263)
Net cash used in investing activities		(8,117)	(13,412)
Cash flows from financing activities			
Changes in pledged deposits		(585)	7,729
Dividends paid to owners of the Company	8	(5,473)	(2,767)
Dividends paid to non-controlling interests	8	(2,027)	(1,417)
Interest paid		(877)	(941)
Payment of lease liabilities		(664)	(719)
Purchase of treasury shares	15	(2,362)	–
Proceeds from loans and borrowings		42,660	81,442
Repayment of loans and borrowings		(53,898)	(106,481)
Net cash used in financing activities		(23,226)	(23,154)

D. Consolidated statement of cash flows (cont'd)

	Note	6 months ended 30.6.2023 \$'000	6 months ended 30.6.2022 \$'000
Net increase/(decrease) in cash and cash equivalents		2,894	(21,728)
Cash and cash equivalents at 1 January		182,406	187,372
Effect of exchange rate fluctuations on cash held		(1,292)	(1,044)
Cash and cash equivalents at 30 June		184,008	164,600
Comprising			
Cash at bank and in hand		87,050	115,532
Fixed deposits with banks		108,741	56,961
Cash and cash equivalents in the statement of financial position		195,791	172,493
Cash and bank balances pledged as security for bills payable		(11,783)	(7,893)
Cash and cash equivalents in the statement of cash flows		184,008	164,600

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

PSC Corporation Ltd. is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and period ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are supply of provisions and household consumer products. The Company also provided management services to its subsidiaries.

The principal activities of the Group are:

- (a) supply of provisions and household consumer products
- (b) manufacture and trading of food products
- (c) manufacture and sales of corrugated cartons and other packaging products

2. Basis of preparation

The condensed interim financial statements for the six months and period ended 30 June 2023 have been prepared in accordance with 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 accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of new standards and amendments to standards have become applicable for the current reporting period. The application of new standards and amendments to standards does not have a material effect on the condensed interim financial statements except for disclosure of the deferred tax assets and liabilities recognised in relation to *Deferred Tax related to Assets and Liabilities from a Single Transaction – Amendments to IAS 12 from 1 January 2023* which will be provided in the annual financial statements.

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 that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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.

There is no information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.



PSC Corporation Ltd

Condensed Interim Financial Statements 30 June 2023

E. Notes to the condensed interim consolidated financial statements (cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Consumer Essentials: Consumer Business;
- Strategic Investments: Packaging; and
- Others

These operating segments are reported in a manner consistent with internal reporting provided to the Executive Chairman who is responsible for allocating resources and assessing performance of the operating segments.



E. Notes to the condensed interim consolidated financial statements (cont'd)

4.1. Reportable segments

Group	6 months ended 30 Jun 2023				6 months ended 30 Jun 2022			
	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total \$'000	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total \$'000
Total segment revenue:								
Sales of goods, recognised at a point in time	111,996	126,334	–	238,330	106,017	175,438	–	281,455
Inter-segment revenue	–	(24)	–	(24)	–	(31)	–	(31)
External revenue	111,996	126,310	–	238,306	106,017	175,407	–	281,424
Results from operating activities	5,219	10,115	(45)	15,289	5,644	12,895	3,448	21,987
Finance income	2,114	961	1	3,076	238	389	335	962
Finance expense	(385)	(491)	–	(876)	(444)	(853)	–	(1,297)
Net finance cost	1,729	470	1	2,200	(206)	(464)	335	(335)
Unallocated amounts – Other corporate expenses, net of income				(1,034)				(1,885)
Profit before tax				16,455				19,767
Tax expense				(3,085)				(2,625)
Profit for the period				13,370				17,142
Other segment information:								
(Write back)/Allowance for impairment of receivables:								
- trade receivables	(20)	(225)	–	(245)	(16)	118	–	102
- other receivables	–	–	–	–	–	–	334	334
Inventories written down/(write back)	71	(449)	–	(378)	196	117	–	313
Depreciation of:								
- property, plant and equipment	2,373	5,234	–	7,607	2,495	5,512	–	8,007
- investment properties	–	–	9	9	–	–	10	10
Property, plant and equipment written off	2	56	–	58	3	52	–	55
Additions to non-current assets								
- property, plant and equipment	2,932	6,415	–	9,347	935	21,638	–	22,573
Segment assets	236,498	288,246	680	525,424	239,582	323,014	774	563,370
Segment liabilities	42,707	89,841	16	132,564	42,491	121,292	51	163,834

E. Notes to the condensed interim consolidated financial statements (cont'd)

4.2 Geographical segments

	Group	
	6 months ended	6 months ended
	Jun 2023	Jun 2022
	\$'000	\$'000
Revenue		
Singapore	87,194	93,345
Malaysia	48,933	40,602
China	102,021	147,477
Others	158	–
	<u>238,306</u>	<u>281,424</u>

	Group	
	Jun 2023	Dec 2022
	\$'000	\$'000
Non-current assets		
Singapore	87,469	88,827
Malaysia	13,037	12,093
China	70,581	71,778
	<u>171,087</u>	<u>172,698</u>

5. Financial assets and financial liabilities

	Note	Group		Company	
		Jun 2023	Dec 2022	Jun 2023	Dec 2022
		\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value					
Equity investments – at FVOCI	10	74	73	74	73
Equity investments – at FVTPL	10	550	601	550	601
		<u>624</u>	<u>674</u>	<u>624</u>	<u>674</u>
Financial assets not measured at fair value					
Cash and cash equivalents		195,791	194,007	81,782	97,163
Trade and other receivables #		111,381	131,567	31,475	22,692
		<u>307,172</u>	<u>325,574</u>	<u>113,257</u>	<u>119,855</u>
Financial liabilities not measured at fair value					
Loans and borrowings *		(43,909)	(56,673)	–	–
Trade and other payables **		(42,831)	(52,488)	(4,215)	(4,007)
		<u>(86,740)</u>	<u>(109,161)</u>	<u>(4,215)</u>	<u>(4,007)</u>

Exclude advances to suppliers, prepayments and VAT/GST receivables

* Exclude lease liabilities

** Exclude VAT/GST payables and accrued staff remuneration

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Profit before taxation

The following items have been (credited)/charged in arriving at profit before taxation:

	Group	
	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000
Finance income		
Interest income from fixed deposits	(3,074)	(960)
Dividend income	(2)	(2)
	<u>(3,076)</u>	<u>(962)</u>
Finance costs		
Interest on borrowings & lease liabilities	825	1,180
Net decrease in fair value of financial assets designated at FVTPL	51	117
	<u>876</u>	<u>1,297</u>
Amortisation of deferred income	(194)	(236)
Amortisation of intangible assets	67	–
Depreciation of investment properties	9	10
Depreciation of property, plant and equipment	7,607	8,007
Exchange (gain)/loss	(196)	116
Gain on de-consolidation of subsidiaries	–	(3,497)
Inventories (write back)/written down	(378)	313
Loss on disposal of property, plant and equipment	266	115
Property, plant and equipment written off	58	55

E. Notes to the condensed interim consolidated financial statements (cont'd)

7. Taxation

	Group	
	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000
Current taxation:		
Current year	2,998	3,307
Withholding tax	514	–
Over provision of tax in respect of prior years	(18)	(72)
	3,494	3,235
Deferred taxation:		
Origination and reversal of temporary differences	(403)	(615)
(Over)/Under provision of tax in respect of prior years	(6)	5
	(409)	(610)
	3,085	2,625

8. Dividends

	Group and Company	
	6 months ended Jun 2023 \$'000	6 months ended Jun 2022 \$'000
Paid by the Company to owners of the Company:		
Final tax-exempt dividend of 1.0 cents per share in respect of financial year ended 31 December 2022 (2022: 0.50 cents per share for financial year ended 31 December 2021)	5,473	2,767
Paid by subsidiaries to non-controlling interests:		
Final tax-exempt dividend paid of 2.5 cents per share in respect of financial year ended 2022 (2022: 2.5 cents per share for financial year ended 31 December 2021)	1,417	1,417
Dividends in respect of the current financial year	610	–
	2,027	1,417
	7,500	4,184

E. Notes to the condensed interim consolidated financial statements (cont'd)

9. Net asset value

	Group		Company	
	Jun 2023	Dec 2022	Jun 2023	Dec 2022
Net asset value per ordinary share (cents)	57.38	56.64	32.95	33.36

The calculation of the net asset value per ordinary share was based on total number of issued shares excluding treasury shares 546,654,146 (2022: 553,415,746)

10. Financial assets

	Group and Company	
	Jun 2023	Dec 2022
	\$'000	\$'000
Financial assets at fair value through other comprehensive income comprise the following:		
- Singapore listed equity securities	74	73
Financial assets at fair value through profit or loss comprise the following:		
- Hong Kong listed equity securities	550	601

10.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the financial assets measured at fair value:

Group	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Jun 2023				
Quoted equity investments – at FVOCI	74	–	–	74
Quoted equity investments – at FVTPL	550	–	–	550
Dec 2022				
Quoted equity investments – at FVOCI	73	–	–	73
Quoted equity investments – at FVTPL	601	–	–	601

E. Notes to the condensed interim consolidated financial statements (cont'd)

11. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets with aggregate cost of \$9,347,000 (30 June 2022: \$22,573,000) of which \$1,673,000 (30 June 2022: \$6,459,000) was acquired under leases and \$168,000 (30 June 2022: \$851,000) was included in net increase/(decrease) of amount payables for purchase of property, plant and equipment.

12. Intangible assets

	Note	Group		
		Goodwill \$'000	Customer relationship \$'000	Total \$'000
Cost				
At 1 January 2022		1,157	–	1,157
Acquisition through business combinations	17	2,100	532	2,632
Write-off		(51)	–	(51)
Effect of movements in exchange rates		(103)	–	(103)
At 31 December 2022		3,103	532	3,635
Effect of movements in exchange rates		(34)	–	(34)
At 30 June 2023		3,069	532	3,601
Accumulated amortisation				
At 1 January 2022		–	–	–
Amortisation charge for the year		–	133	133
At 31 December 2022		–	133	133
Amortisation charge for the year		–	67	67
At 30 June 2023		–	200	200
Carrying amounts				
At 1 January 2022		1,157	–	1,157
At 31 December 2022		3,103	399	3,502
At 30 June 2023		3,069	332	3,401

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Investment properties

The Group's investment properties consist of a number of resort apartments in Malaysia.

	Group	
	Jun 2023	Dec 2022
	\$'000	\$'000
Cost		
At 1 January	908	966
Effect of movements in exchange rates	(43)	(58)
At 30 June 2023 and 31 December 2022	865	908
Accumulated depreciation		
At 1 January	289	288
Depreciation charge for the period/year	9	19
Effect of movements in exchange rates	(14)	(18)
At 30 June 2023 and 31 December 2022	284	289
Carrying amounts		
At 1 January	619	678
At 30 June 2023 and 31 December 2022	581	619
Fair value		
At 30 June 2023 and 31 December 2022	667	746

13.1. Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every half-year based on the property's highest and best use.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using Comparison Method of Valuation, where the unobservable input is price per square foot. A significant increase in price per square foot would result in a significantly higher fair value measurement.

E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Loans and Borrowings

	Group		Company	
	Jun 2023 \$'000	Dec 2022 \$'000	Jun 2023 \$'000	Dec 2022 \$'000
Non-Current				
Secured bank loans	149	237	–	–
Lease liabilities	21,796	20,785	13,363	13,146
	<u>21,945</u>	<u>21,022</u>	<u>13,363</u>	<u>13,146</u>
Current				
Secured bank loans	3,913	3,717	–	–
Unsecured bank loans	15,786	9,280	–	–
Bills payable	23,687	42,793	–	–
Trust receipts & banker acceptance	–	259	–	–
Lease liabilities	1,255	1,344	349	334
Unsecured loan from non-controlling interests	374	387	–	–
	<u>42,015</u>	<u>57,780</u>	<u>349</u>	<u>334</u>

Loans and borrowings of \$27.4 million are secured over property, plant and equipment with net book value of approximately \$2.8 million (2022: \$28.2 million) and cash and cash equivalents amounting to \$11.8 million (2022: \$11.6 million).

Loans and borrowings of \$0.3 million are secured by a joint and several guarantee from a shareholder and his spouse of a subsidiary. The shareholder is also a director of the subsidiary.

15. Share capital and treasury shares

	Group and Company			
	Jun 2023		Dec 2022	
	No. of shares	\$'000	No. of shares	\$'000
Share Capital				
In issue at beginning and end of interim period	570,996,746	184,325	570,996,746	184,325
Treasury shares				
At 1 January	17,581,000	4,226	17,581,000	4,226
Purchase of treasury shares	6,761,600	2,362	–	–
At 30 June 2023 and 31 December 2022	<u>24,342,600</u>	<u>6,588</u>	<u>17,581,000</u>	<u>4,226</u>
			Jun 2023	Dec 2022
Total number of issued shares			570,996,746	570,996,746
Less: Treasury shares			(24,342,600)	(17,581,000)
Total number of issued shares excluding treasury shares			<u>546,654,146</u>	<u>553,415,746</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

15. Share capital (cont'd)

	Jun 2023	Jun 2022
	No. of shares	No. of shares
Treasury shares held	<u>24,342,600</u>	<u>17,581,000</u>
Percentage of the aggregate number of treasury shares held against the total number of issued shares excluding treasury shares	<u>4.5%</u>	<u>3.2%</u>

- (i) There was no change in the Company's issued share capital in H1 FY2023.
- (ii) There were no shares that may be issued on conversion of any outstanding convertibles as at 30 June 2023 and 30 June 2022.
- (iii) As at 30 June 2023, there were no sales, transfers, cancellation and/or use of treasury shares.
- (iv) The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 30 June 2022. As at 30 June 2023, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

16. Related party transactions

There are no significant related party transactions apart from directors' fees and compensation paid to key management personnel.

17. Acquisition of subsidiaries and non-controlling interests

(i) Acquisition of non-controlling interests

In June 2023, the Group acquired the remaining 26% interest in Tipex Pte. Ltd. ("Tipex"), increasing its ownership from 74% to 100%. The carrying amount of Tipex's net assets in the Group's consolidated financial statements on the date of the acquisition was \$19,778,000.

	\$'000
Carrying amount of NCI acquired (\$19,778,000 X 26%)	5,142
Consideration paid to NCI	<u>(2,860)</u>
Increase in equity attributable to owners of the Company	<u>2,282</u>

The increase in equity attributable to owners of the Company comprised:

- an increase in retained earnings of \$2,666,000; and
- a decrease in the translation reserve of \$384,000.

E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Acquisition of subsidiaries and non-controlling interests (cont'd)

(ii) **Acquisition of subsidiaries**

On 1 January 2022, the Group acquired 80% of the issued shares in C.K.H. Food Trading Pte. Ltd. ("CKH") and 123 Mart Pte. Ltd. for total cash consideration of \$3,300,000.

	Jun 2023	Jun 2022
	\$'000	\$'000
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	–	1,398
Intangible assets	–	532
Inventories	–	92
Trade and other receivables	–	2,894
Cash and cash equivalents	–	1,754
Trade and other payables	–	(2,500)
Current tax liabilities	–	(58)
Loans and borrowings	–	(2,443)
Deferred tax liabilities	–	(169)
Total identifiable net assets	<u>–</u>	<u>1,500</u>
Goodwill		
Total consideration	–	3,300
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	–	300
Fair value of identifiable net assets	<u>–</u>	<u>(1,500)</u>
Goodwill	<u>–</u>	<u>2,100</u>
Net cash outflow on acquisition		
Total consideration	–	3,300
Less: Consideration paid in prior year	–	(1,650)
Less: Consideration unpaid	–	(825)
Less: Cash and cash equivalents acquired	<u>–</u>	<u>(1,754)</u>
	<u>–</u>	<u>(929)</u>

18. Subsequent events

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of PSC Corporation Ltd. and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Consolidated statement of profit or loss

The Group recorded revenue of \$238.3 million in 1H 2023, \$43.1 million (15.3%) lower than \$281.4 million in 1H 2022. The decrease was mainly due to reduction in revenue contribution from the Packaging Business's China operations mitigated by improved performance at Consumer Business's Malaysia operations.

The Group's gross profit decreased \$6.8 million (11.4%) as compared to 1H 2022, primarily due to decline in market demand and competitive selling price in China from the Packaging Business.

Other income for 1H 2023 is comparable to corresponding period excluding the gain on de-consolidation \$3.5 million recognised in 1H 2022.

Distribution expenses decreased \$1.8 million as compared to 1H 2022. The decrease is mainly due to reduction of carriage outward and staff cost by Packaging Business.

Administrative expenses decreased \$2.2 million as compared to 1H 2022. The decrease is mainly due to reduction of staff cost by Packaging Business.

Other expenses increased \$0.2 million in 1H 2023 as compared to 1H 2022 mainly due to higher loss on disposal of property, plant and equipment.

1H 2023 reported a net finance income of \$2.2 million as compared to a net finance costs of \$0.3 million in 1H 2022. This is due to higher interest income from fixed deposits as a result of higher fixed deposit rates.

Tax expense increased \$0.5 million mainly due to payment of withholding tax for dividend received from China subsidiary in 1H 2023.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

Statements of financial position

Inventories decreased \$10.8 million, mainly due to (i) reduction of inventory level and raw material prices at Packaging Business; and (ii) running down of inventory buildup for CNY in Dec 2022 for Consumer Business.

Trade and other receivables decreased \$18.6 million, mainly from Packaging Business due to (i) reduction in revenue during the period; and (ii) reduction in term bills receivables (with 6 months' maturity date) received from customers.

Loans and borrowings decreased \$14.8 million due to loan repayment during the period.

Trade and other payables decreased \$12.9 million, mainly from Packaging Business due to lower trade payables in line with reduction of revenue and reduction in provision for staff bonus.

Consolidated statement of cash flows

Cash and cash equivalents increased by \$2.9 million. The Group recorded a net operating cash inflow of \$34.2 million from operating profits and improved working capital. This was offset by net cash used in investing activities of \$8.1 million for capital expenditure and net cash of \$23.2 million used in financing activities for repayment of borrowings, payment of dividends and purchase of treasury shares.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

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 operating period and the next 12 months

Although Consumer Business registered a 5.6% growth in revenue as compared to corresponding period on the back of higher demand from Malaysia operation, operating margin has declined due to increase in cost of supplies and higher labour and operating costs. The Group expects the overall business operating environment to remain challenging. Persistently high inflation and interest rate hikes will continue to negatively impact consumer and household spendings while escalating energy prices and labour costs push operating costs higher. The Group will continue to build on its brand equity and its engagement with customers to grow demand and implement cost control measures to keep operating costs from rising.

Packaging Business will continue to focus on its business strategies of strengthening core expertise through improving productivity and implementing appropriate cost control measures with the aim of improving overall margins and profitability. It will continue to keep up with market trend and diversify revenue stream from both existing and potential customers to enhance long term growth potential of the business and shareholder's value.

The Group continues to maintain a strong balance sheet with positive net cash position. We will continue to leverage on our existing strengths such as our large stable of consumer brand assets to grow and build resilience in our core businesses. While we remain steadfast in strengthening our core businesses, we are also actively exploring new business opportunities to drive sustainable growth.

5. Dividend information

(a) Current financial period reported on

Name of dividend	Interim
Dividend type	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.003 per ordinary share

(b) Corresponding period of the immediately preceding financial year

Name of dividend	Interim
Dividend type	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.0025 per ordinary share

(c) The date the dividend is payable

The proposed interim dividend will be payable on 22 September 2023.

(d) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 11 September 2023 for the purposes of determining Shareholders' entitlements to the proposed interim dividend.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. Dividend information (cont'd)

Duly completed and stamped transfers received by the Company's Share Registrar, M & C Services Private Limited of 112 Robinson Road, #05-01 Singapore 068902 up to 5.00 p.m. on 8 September 2023 will be registered to determine Shareholders' entitlements to the interim dividend.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable

7. If the Group has obtained a general mandate from shareholders for IPTs, 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 has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

9. Disclosure pursuant to Rule 706A of the Listing Manual

Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to announce the following changes to its group of companies:

(a) Acquisition of the remaining 26% interest in Tipex Pte. Ltd. ("Tipex")

The Company had acquired the remaining 26% interest in Tipex at a consideration of \$2,860,000. The consideration was arrived at on a willing-buyer and willing-seller basis and was paid in cash upon completion of the transaction which is simultaneous with the signing of the Share Sale Agreement on 16 June 2023.

The Company held 74% in Tipex prior to the acquisition. Following the acquisition, Tipex became a wholly-owned subsidiary of the Company.

(b) Strike off of the following inactive subsidiaries:

- (i) Topseller Development Pte Ltd
- (ii) 123 Mart Pte Ltd
- (iii) Flobina Sdn. Bhd.



PSC Corporation Ltd

Condensed Interim Financial Statements 30 June 2023

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the interim financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dr Goi Seng Hui
Executive Chairman

Dr Chen Seow Phun, John
Director

Singapore
11 August 2023