



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 2024

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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 2024 \$'000	6 months ended Jun 2023 \$'000	Change %
Revenue	4	243,286	238,306	2.1%
Cost of sales		(185,352)	(185,584)	0.1%
Gross profit		57,934	52,722	9.9%
Other income		1,248	1,179	5.9%
Distribution expenses		(23,900)	(22,926)	(4.3%)
Administrative expenses		(18,227)	(16,604)	(9.8%)
Write back for impairment of receivables		6	245	(97.6%)
Other expenses		(240)	(361)	33.5%
Results from operating activities		16,821	14,255	18.0%
Finance income	6	3,588	3,076	16.6%
Finance costs	6	(1,138)	(876)	(29.9%)
Net finance income		2,450	2,200	11.4%
Profit before tax	6	19,271	16,455	17.1%
Tax expense	7	(3,933)	(3,085)	(27.5%)
Profit for the period		15,338	13,370	14.7%
Profit attributable to:				
Owners of the Company		11,151	9,781	14.0%
Non-controlling interests		4,187	3,589	16.7%
Profit for the period		15,338	13,370	14.7%
Earnings per share (cents)				
Basic and diluted earnings per share		2.04	1.78	

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

Consolidated statement of comprehensive income

	6 months ended Jun 2024 \$'000	6 months ended Jun 2023 \$'000
Profit for the period	15,338	13,370
Other comprehensive income – items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences of foreign operations	724	(5,994)
Other comprehensive income for the year, net of tax	<u>724</u>	<u>(5,994)</u>
Other comprehensive income – items that will not be reclassified subsequently to profit or loss		
Equity investment FVOCI – net change in fair value	8	1
Other comprehensive income for the period, net of tax	<u>8</u>	<u>1</u>
Total comprehensive income for the period	<u>16,070</u>	<u>7,377</u>
Total comprehensive income attributable to:		
Owners of the Company	11,688	5,783
Non-controlling interests	4,382	1,594
Total comprehensive income for the period	<u>16,070</u>	<u>7,377</u>

B. Statements of financial position

	Note	Group		Company	
		Jun 2024 \$'000	Dec 2023 \$'000	Jun 2024 \$'000	Dec 2023 \$'000
Assets					
Property, plant and equipment	11	163,274	163,351	44,635	45,752
Intangible assets	12	3,375	3,329	–	–
Investment properties	13	2,166	564	–	–
Subsidiaries		–	–	41,848	40,278
Associates		–	–	–	–
Other financial assets	10	39,940	16,240	86	78
Deferred tax assets		3,061	3,180	194	177
Trade and other receivables		291	205	–	–
Non-current assets		212,107	186,869	86,763	86,285
Other financial assets	10	340	197	340	197
Current tax assets		184	286	–	–
Inventories		49,211	48,445	–	–
Bills receivable		36,085	34,019	–	–
Trade and other receivables		91,640	85,666	39,760	34,568
Cash on hand and in banks		191,274	215,868	82,603	84,825
Current assets		368,734	384,481	122,703	119,590
Total assets		580,841	571,350	209,466	205,875
Equity					
Share capital	15	177,302	177,302	177,302	177,302
Reserves		148,884	145,375	12,532	9,076
Equity attributable to owners of the Company		326,186	322,677	189,834	186,378
Non-controlling interests		85,992	81,378	–	–
Total equity		412,178	404,055	189,834	186,378
Liabilities					
Loans and borrowings	14	24,595	21,382	12,999	13,183
Trade and other payables		800	800	–	–
Deferred income		1,379	1,543	122	150
Deferred tax liabilities		6,616	6,108	–	–
Non-current liabilities		33,390	29,833	13,121	13,333
Loans and borrowings	14	73,003	70,102	363	356
Current tax liabilities		4,598	3,689	161	4
Trade and other payables		57,328	63,318	5,931	5,748
Deferred income		344	353	56	56
Current liabilities		135,273	137,462	6,511	6,164
Total liabilities		168,663	167,295	19,632	19,497
Total equity and liabilities		580,841	571,350	209,466	205,875



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 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 period										
Profit for the period	–	–	–	–	–	–	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 period	–	–	–	–	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	–	(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)

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 2024	184,325	(7,023)	1,586	12,727	57	(12,972)	143,977	322,677	81,378	404,055
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	11,151	11,151	4,187	15,338
Other comprehensive income										
Foreign currency translation differences of foreign operations	–	–	–	–	–	529	–	529	195	724
Net change in fair value – equity investments at FVOCI	–	–	–	–	8	–	–	8	–	8
Total other comprehensive income	–	–	–	–	8	529	–	537	195	731
Total comprehensive income for the period	–	–	–	–	8	529	11,151	11,688	4,382	16,070
Transactions with owners, recognised directly in equity										
Distributions to owners										
Dividends paid (Note 8)	–	–	–	–	–	–	(8,179)	(8,179)	(1,173)	(9,352)
Total distributions to owners	–	–	–	–	–	–	(8,179)	(8,179)	(1,173)	(9,352)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests (Note 17)	–	–	–	–	–	–	–	–	1,405	1,405
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	1,405	1,405
Total transactions with owners	–	–	–	–	–	–	(8,179)	(8,179)	232	(7,947)
At 30 June 2024	184,325	(7,023)	1,586	12,727	65	(12,443)	146,949	326,186	85,992	412,178

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 period					
Profit for the period	–	–	–	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 period	–	–	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

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 2024	184,325	(7,023)	57	9,019	186,378
Total comprehensive income for the period					
Profit for the period	–	–	–	11,627	11,627
Other comprehensive income					
Net change in fair value – equity investments at FVOCI	–	–	8	–	8
Total other comprehensive income	–	–	8	–	8
Total comprehensive income for the period	–	–	8	11,627	11,635
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(8,179)	(8,179)
Total distributions to owners	–	–	–	(8,179)	(8,179)
Total transactions with owners	–	–	–	(8,179)	(8,179)
At 30 June 2024	184,325	(7,023)	65	12,467	189,834

D. Consolidated statement of cash flows

	Note	6 months ended Jun 2024 \$'000	6 months ended Jun 2023 \$'000
Cash flows from operating activities			
Profit for the period		15,338	13,370
Adjustments for:			
Amortisation of deferred income	6	(177)	(194)
Amortisation of intangible assets	6	67	67
Depreciation of investment properties	6	14	9
Depreciation of property, plant and equipment	6	7,903	7,607
Dividend income	6	(3)	(2)
(Gain)/loss on disposal of property, plant and equipment	6	(93)	266
Write back for impairment of receivables		(6)	(245)
Interest income	6	(3,585)	(3,074)
Interest expense	6	998	825
Inventories write back	6	(23)	(378)
Net decrease in fair value of financial assets at fair value through profit or loss	6	140	51
Property, plant and equipment written off	6	75	58
Tax expense	7	3,933	3,085
Unrealised exchange (gain)/loss		(51)	402
		24,530	21,847
Changes in:			
Inventories		458	10,158
Bills receivable		(1,916)	4,730
Trade and other receivables		(4,665)	11,675
Trade and other payables		(8,194)	(11,924)
Cash generated from operations		10,213	36,486
Tax paid		(2,503)	(2,249)
Net cash from operating activities		7,710	34,237
Cash flows from investing activities			
Acquisition of other financial assets		(22,711)	–
Acquisition of subsidiaries, net of cash	17	1,106	–
Dividend received		3	2
Interest received		3,779	2,094
Proceeds from disposal of financial assets at fair value through profit or loss		21	–
Proceeds from disposal of property, plant and equipment		219	153
Purchase of property, plant and equipment		(3,215)	(7,506)
Net cash used in investing activities		(20,798)	(5,257)
Cash flows from financing activities			
Acquisition of non-controlling interests	17	–	(2,860)
Changes in pledged deposits		953	(585)
Dividends paid to owners of the Company	8	(8,179)	(5,473)
Dividends paid to non-controlling interests	8	(1,173)	(2,027)
Interest paid		(1,000)	(877)
Payment of lease liabilities		(711)	(664)
Purchase of treasury shares		–	(2,362)
Proceeds from loans and borrowings		49,359	42,660
Repayment of loans and borrowings		(49,923)	(53,898)
Net cash used in financing activities		(10,674)	(26,086)

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

	Note	6 months ended 30.6.2024 \$'000	6 months ended 30.6.2023 \$'000
Net (decrease)/increase in cash and cash equivalents		(23,762)	2,894
Cash and cash equivalents at 1 January		206,199	182,406
Effect of exchange rate fluctuations on cash held		75	(1,292)
Cash and cash equivalents at 30 June		182,512	184,008
Comprising			
Cash on hand and in banks		57,744	87,050
Fixed deposits with banks		133,530	108,741
Cash on hand and in banks in the statement of financial position		191,274	195,791
Cash and bank balances pledged as security for bills payable		(8,762)	(11,783)
Cash and cash equivalents in the statement of cash flows		182,512	184,008

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 2024 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 2024 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 2023.

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.

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 2023.

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.

Information about assumptions and judgement that have a significant risk of resulting in a material adjustment within the next financial year are included in note 11 - impairment on property, plant and equipment.

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 2024				6 months ended 30 Jun 2023			
	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	116,074	127,242	–	243,316	111,996	126,334	–	238,330
Inter-segment revenue	–	(30)	–	(30)	–	(24)	–	(24)
External revenue	116,074	127,212	–	243,286	111,996	126,310	–	238,306
Results from operating activities	5,985	12,215	(9)	18,191	5,219	10,115	(45)	15,289
Finance income	1,978	1,609	1	3,588	2,114	961	1	3,076
Finance expense	(507)	(631)	–	(1,138)	(385)	(491)	–	(876)
Net finance cost	1,471	978	1	2,450	1,729	470	1	2,200
Unallocated amounts – Other corporate expenses, net of income				(1,370)				(1,034)
Profit before tax				19,271				16,455
Tax expense				(3,933)				(3,085)
Profit for the period				15,338				13,370
Other segment information:								
(Write back)/Allowance for impairment of trade receivables	94	(100)	–	(6)	(20)	(225)	–	(245)
Inventories written down/(write back)	22	(45)	–	(23)	71	(449)	–	(378)
Depreciation of:								
- property, plant and equipment	2,767	5,136	–	7,903	2,373	5,234	–	7,607
- investment properties	6	–	8	14	–	–	9	9
Property, plant and equipment written off	18	57	–	75	2	56	–	58
Additions to non-current assets								
- property, plant and equipment	1,897	3,286	–	5,183	2,932	6,415	–	9,347
Segment assets	251,956	328,232	653	580,841	236,498	288,246	680	525,424
Segment liabilities	52,640	115,995	28	168,663	42,707	89,841	16	132,564

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

4.2 Geographical segments

	Group	
	6 months ended Jun 2024 \$'000	6 months ended Jun 2023 \$'000
	Revenue	
Singapore	89,897	87,194
Malaysia	48,890	48,933
China	103,954	102,021
Others	545	158
	243,286	238,306

	Group	
	Jun 2024 \$'000	Dec 2023 \$'000
	Non-current assets	
Singapore	111,454	87,552
Malaysia	13,263	13,323
China	87,390	85,994
	212,107	186,869

5. Financial assets and financial liabilities

	Note	Group		Company	
		Jun 2024 \$'000	Dec 2023 \$'000	Jun 2024 \$'000	Dec 2023 \$'000
Financial assets measured at fair value					
Equity investments – at FVOCI	10	86	78	86	78
Equity investments – at FVTPL	10	4,229	197	340	197
Structured Notes [#] – at FVTPL	10	15,676	–	–	–
Insurance asset – at FVTPL	10	952	–	–	–
Bills receivable		36,085	34,019	–	–
		57,028	34,294	426	275
Financial assets not measured at fair value					
Cash on hand and in banks		191,274	215,868	82,603	84,825
Trade and other receivables [*]		87,305	83,151	39,667	34,478
Time deposits – at amortised cost	10	19,337	16,162	–	–
		297,916	315,181	122,270	119,303
Financial liabilities not measured at fair value					
Secured bank loans		(14,468)	(12,737)	–	–
Unsecured bank loans		(22,093)	(21,025)	–	–
Bills payable		(36,545)	(35,127)	–	–
Trust receipts		(682)	–	–	–
Trade and other payables ^{**}		(47,550)	(51,577)	(4,824)	(4,558)
		(121,338)	(120,466)	(4,824)	(4,558)

[#] Principal protected and interest-bearing

^{*} Exclude advances to suppliers, prepayments and VAT/GST receivables

^{**} Exclude financial derivative liabilities, 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 2024 \$'000	6 months ended Jun 2023 \$'000
Finance income		
Interest income from fixed deposits	(3,585)	(3,074)
Dividend income	(3)	(2)
	<u>(3,588)</u>	<u>(3,076)</u>
Finance costs		
Interest on borrowings & lease liabilities	998	825
Net decrease in fair value of financial assets designated at FVTPL	140	51
	<u>1,138</u>	<u>876</u>
Amortisation of deferred income	(177)	(194)
Amortisation of intangible assets	67	67
Depreciation of investment properties	14	9
Depreciation of property, plant and equipment	7,903	7,607
Exchange loss/(gain)	224	(196)
Inventories write back	(23)	(378)
(Gain)/Loss on disposal of property, plant and equipment	(93)	266
Property, plant and equipment written off	75	58

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

7. Taxation

	Group	
	6 months ended Jun 2024 \$'000	6 months ended Jun 2023 \$'000
Current taxation:		
Current year	3,323	2,998
Withholding tax	–	514
Under/(Over) provision of tax in respect of prior years	135	(18)
	3,458	3,494
Deferred taxation:		
Origination and reversal of temporary differences	648	(403)
Over provision of tax in respect of prior years	(173)	(6)
	475	(409)
	3,933	3,085

8. Dividends

	Group and Company	
	6 months ended Jun 2024 \$'000	6 months ended Jun 2023 \$'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 2023 (2023: 1.0 cents per share in respect of financial year ended 31 December 2022)	5,453	5,473
Special tax-exempt dividend of 0.5 cents per share in respect of financial year ended 31 December 2023 (2023: Nil)	2,726	–
	8,179	5,473
Paid by subsidiaries to non-controlling interests:		
Final tax-exempt dividend paid of 2.0 cents per share in respect of financial year ended 2023 (2023: 2.5 cents per share in respect of 31 December 2022)	1,173	1,417
Dividend in respect of the current financial year	–	610
	1,173	2,027
	9,352	7,500

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

9. Net asset value

	Group		Company	
	Jun 2024	Dec 2023	Jun 2024	Dec 2023
Net asset value per ordinary share (cents)	59.82	59.17	34.81	34.18

The calculation of the net asset value per ordinary share was based on total number of issued shares (excluding treasury shares) of 545,296,946 (2023: 545,296,946).

10. Financial assets

	Group and Company	
	Jun 2024 \$'000	Dec 2023 \$'000
Financial assets comprise the following:		
Non-current		
- Singapore listed equity securities, at FVOCI	86	78
- Singapore listed equity securities, at FVTPL	3,889	–
- Time deposits, at amortised cost	19,337	16,162
- Structured Notes [#] , at FVTPL	15,676	–
- Insurance assets – Keyman life insurance policies, at FVTPL	952	–
	<u>39,940</u>	<u>16,240</u>
Current		
- Hong Kong listed equity securities, at FVTPL	<u>340</u>	<u>197</u>

[#] Principal protected and interest-bearing

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)

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

10.1. Fair value measurement (cont'd)

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

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2024				
Quoted equity investments – at FVOCI	86	–	–	86
Quoted equity investments – at FVTPL	4,229	–	–	4,229
Structured Notes# – at FVTPL	–	15,676	–	15,676
Insurance assets – at FVTPL	–	–	952	952
Bills receivable	–	36,085	–	36,085
	<u>4,315</u>	<u>51,761</u>	<u>952</u>	<u>57,028</u>
31 December 2023				
Quoted equity investments – at FVOCI	78	–	–	78
Quoted equity investments – at FVTPL	197	–	–	197
Bills receivable	–	34,019	–	34,019
	<u>275</u>	<u>34,019</u>	<u>–</u>	<u>34,294</u>

Principal protected and interest-bearing

11. Property, plant and equipment

During the period ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of \$5,183,000 (2023: \$9,347,000) of which \$1,476,000 (2023: \$1,673,000) was acquired under leases and \$492,000 (2023: \$168,000) was included in net change of amount payables for purchase of property, plant and equipment.

The Group performed impairment assessment on the non-financial assets as at each reporting date to determine whether there are indicators of impairment. The CGUs' recoverable amount is estimated if impairment indicators exist. The determination of recoverable amounts involves judgement and is subject to estimation uncertainties. The recoverable amount of each CGU is determined based on greater of value-in-use method and fair value less costs to sell method. As at 30 June 2024, the recoverable amount for these CGUs were assessed to be in excess of the respective carrying amounts, no impairment was determined.

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

12. Intangible assets

	Note	Group		
		Goodwill \$'000	Customer relationship \$'000	Total \$'000
Cost				
At 1 January 2023		3,103	532	3,635
Effect of movements in exchange rates		(40)	–	(40)
At 31 December 2023		3,063	532	3,595
Acquisition through business combinations	17	108	–	108
Effect of movements in exchange rates		5	–	5
At 30 June 2024		3,176	532	3,708
Accumulated amortisation				
At 1 January 2023		–	133	133
Amortisation charge for the year		–	133	133
At 31 December 2023		–	266	266
Amortisation charge for the period		–	67	67
At 30 June 2024		–	333	333
Carrying amounts				
At 1 January 2023		3,103	399	3,502
At 31 December 2023		3,063	266	3,329
At 30 June 2024		3,176	199	3,375

13. Investment properties

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

	Note	Group	
		Jun 2024 \$'000	Dec 2023 \$'000
Cost			
At 1 January 2024 and 1 January 2023		852	908
Acquisition through business combinations	17	1,612	–
Effect of movements in exchange rates		6	(56)
At 30 June 2024 and 31 December 2023		2,470	852
Accumulated depreciation			
At 1 January 2024 and 1 January 2023		288	289
Depreciation charge for the period/year		14	18
Effect of movements in exchange rates		2	(19)
At 30 June 2024 and 31 December 2023		304	288
Carrying amounts			
At 1 January 2024 and 1 January 2023		564	619
At 30 June 2024 and 31 December 2023		2,166	564
Fair value			
At 30 June 2024 and 31 December 2023		4,087	600

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

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.

14. Loans and Borrowings

	Group		Company	
	Jun 2024 \$'000	Dec 2023 \$'000	Jun 2024 \$'000	Dec 2023 \$'000
Non-Current				
Bank loans - Secured	2,410	–	–	–
Bank loans - Unsecured	215	–	–	–
Lease liabilities	21,970	21,382	12,999	13,183
	<u>24,595</u>	<u>21,382</u>	<u>12,999</u>	<u>13,183</u>
Current				
Bank loans - Secured	12,058	12,737	–	–
Bank loans - Unsecured	21,878	21,025	–	–
Bills payable - Secured	36,545	35,127	–	–
Trust receipts - Secured	682	–	–	–
Lease liabilities	1,840	1,213	363	356
	<u>73,003</u>	<u>70,102</u>	<u>363</u>	<u>356</u>

Secured loans and borrowings comprised the following:

- (i) Loans and borrowings of \$47.8 million (2023: \$47.9 million) are secured over property, plant and equipment with net book value of approximately \$8.2 million (2023: S\$8.6 million) and cash and cash equivalents amounting to \$8.8 million (2023: \$9.7 million).
- (ii) Loans and borrowings of \$1.4 million (2023: Nil) are secured by personal guarantees from two shareholders of two subsidiaries and legal mortgage on their personal property. The two shareholders are also directors of the subsidiaries.
- (iii) Loans and borrowings of \$2.1 million (2023: Nil) are secured by personal guarantees from two shareholders of a subsidiary and legal mortgages on the Group's investment properties with net book value of approximately \$1.6 million (2023: Nil).
- (iv) Loans and borrowings of \$0.4 million (2023: Nil) are secured by personal guarantees from two shareholders of a subsidiary and legal mortgages on the Group's leasehold properties with net book value of approximately \$0.9 million (2023: Nil).

Unsecured loans and borrowings comprised the following:

- Loans and borrowings of \$0.6 million (2023: \$Nil) are secured by personal guarantees from two shareholders of subsidiaries. The two shareholders are also directors of the subsidiaries.

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

15. Share capital and treasury shares

	Group and Company			
	Jun 2024		Dec 2023	
	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	25,699,800	7,023	17,581,000	4,226
Purchase of treasury shares	–	–	8,118,800	2,797
At 30 June 2024 and 31 December 2023	25,699,800	7,023	25,699,800	7,023
Share capital in the statement of financial position	177,302		177,302	
			Jun 2024	Dec 2023
Total number of issued shares			570,996,746	570,996,746
Less: Treasury shares			(25,699,800)	(25,699,800)
Total number of issued shares excluding treasury shares			545,296,946	545,296,946
			Jun 2024	Jun 2023
			No. of shares	No. of shares
Treasury shares held			25,699,800	24,342,600
Percentage of the aggregate number of treasury shares held against the total number of issued shares excluding treasury shares			4.7%	4.5%

- (i) There was no change in the Company's issued share capital in 1H FY2024.
- (ii) There were no shares that may be issued on conversion of any outstanding convertibles as at 30 June 2024 and 30 June 2023.
- (iii) As at 30 June 2024, there were no sales, transfers, cancellation and/or use of treasury shares.
- (iv) The Company's subsidiaries did not hold any shares in the Company as at 30 June 2024 and 30 June 2023. As at 30 June 2024, 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.

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

17. Acquisition of subsidiaries and non-controlling interests

(i) Acquisition of subsidiaries

In April 2024, the Group subscribed for 312,250 new shares issued by Kim Guan Guan Coffee Trading Pte. Ltd. ("KGGCT") for an aggregate consideration of \$1,570,000. KGGCT and its wholly owned subsidiary, Kim Guan Guan Coffee Roaster Pte. Ltd. ("KGGCR"), are in the business of distributing, manufacturing and trading of coffee, tea and related products. Following the share subscription, KGGCT and KGGCR became 51% owned subsidiaries of the Group.

	\$'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	2,456
Investment properties	1,612
Other financial assets	917
Inventories	1,040
Trade and other receivables	1,415
Cash on hand and in banks	2,676
Trade and other payables	(1,511)
Current tax liabilities	(51)
Loans and borrowings	(5,589)
Deferred tax liabilities	(98)
Total identifiable net assets [#]	<u>2,867</u>
Provisional goodwill	
Total consideration	1,570
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	1,405
Fair value of identifiable net assets	<u>(2,867)</u>
Provisional goodwill	<u>108</u>
Net cash inflow on acquisition	
Total consideration	1,570
Less: Cash on hand and in banks acquired	<u>(2,676)</u>
	<u>(1,106)</u>

[#] Measured provisionally, pending completion of Purchase Price Allocation by an independent valuer. If new information obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

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

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

(ii) Acquisition of non-controlling interests

In June 2023, the Group acquired the remaining 26% interest in Tipex Pte. Ltd. ("Tipex") for cash consideration of \$2,860,000, 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
Cash 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.

18. Subsequent events

There were no known subsequent events which have led to the 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 2024 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 \$243.3 million in 1H 2024, \$5.0 million (2.1%) higher than 1H 2023. The increase was mainly due to increase in revenue contribution across all segments (i) Improved performance from Consumer Business in Singapore (ii) increase of total sales volume (sqm) at Packaging Business in China by 15.7% (iii) revenue contribution from acquisition of KGGCT.

The gross profit margin for 1H 2024 of 23.8% is higher than corresponding period of 22.1%. The increase in gross profit margin was attributed to Packaging Business from reduction in material prices and lower factory overhead cost per unit with higher utilisation.

Administrative expenses increased 9.8% compared to corresponding period due to reversal of excess bonus provisions from prior years in 1H 2023 by Packaging Business. The increase in administrative expenses observed in current period is due to return to normalized expenditure level without the benefit of reversal.

1H 2024 reported higher finance income of \$3.6 million as compared to a finance income of \$3.1 million in 1H 2023. This is due to higher interest income from fixed deposits and structured notes. Finance costs increased \$0.3 million in 1H 2024 due to decrease in fair value of financial assets designated at FVTPL.

Tax expense increased \$0.8 million mainly due to an increase in deferred tax expense and higher provision for income tax expenses which are in line with higher profit before tax achieved for 1H 2024 as compared to 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

Non-current assets increased \$25.2 million mainly due to:

- (i) \$18.8 million from placement of time deposits and purchase of structured notes which are principal protected and interest-bearing. These are aimed at achieving higher yields than traditional fixed deposits, therefore maximising returns while awaiting for deployment of the surplus cash
- (ii) \$3.9 million from purchase of Singapore quoted equity securities for long-term income generation and capital appreciation
- (iii) \$1.6 million from investment properties being part of the identifiable assets acquired in KGGCT acquired through business combination

Cash on hand and in banks decreased \$24.6 million due to placement of time deposits, purchase of structured notes and quoted equity securities which are recorded as non-current asset. Trade and other receivables increased \$6.0 million, mainly from Consumer Business due to increase in revenue.

Trade and other payables decreased \$6.0 million mainly due to payment of accrued bonus in Q1 FY2024. Loans and borrowings increased \$6.1 million, mainly due to borrowings assumed in acquisition of KGGCT and KGGCR.

Consolidated statement of cash flows

Cash and cash equivalents decreased by \$23.8 million. The Group recorded a net operating cash inflow of \$7.7 million from operating profits and positive working capital. This was offset by net cash of (i) \$20.8 million used in investing activities of mainly for capital expenditure and purchase of other financial assets (ii) \$10.7 million used in financing activities mainly for payment of dividends.

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

Compared to 1H FY2023, revenue at Consumer Business continued to grow although at a slower pace. The ongoing geopolitical tensions, port congestion and inflation pressures continue to drive up freight costs and operational costs. The weak Ringgit against Singapore Dollar exchange rate also affected the translation of our Malaysia operations. The Group will continue to manage stock holding levels, to minimise potential disruptions caused by port congestions and rising freight costs, continue to manage material prices and implement cost controls to mitigate rising operating costs.

The excess capacity situation continues to dominate the corrugated packaging industry in China. Weak domestic consumption will also result in reduced demand for our products. These factors, combined with any increase in raw material prices will have a direct impact on our profitability. Our Packaging Business will capitalise on its competitive advantages of operational efficiencies, good quality and better service to overcome the impact of intense competition and weak demand.

The Group is on robust footing with a positive net cash position and strong balance sheet. 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.

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

5. Dividend information

(a) Current financial period reported on

Name of dividend	Interim
Dividend type	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.005 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\$0.003 per ordinary share

(c) The date the dividend is payable

The proposed interim dividend will be payable on 26 September 2024.

(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

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited of 77 Robinson Road, #06-03 Robinson 77 Singapore 068896 up to 5.00 p.m. on 12 September 2024 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.

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

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

Pursuant to Rule 706A of the Listing Manual, the Company wishes to announce the following changes to its group of companies for the financial period 1 January 2024 to 30 June 2024:

Acquisition of 51% interest in KGGCT

The Company acquired 51% stake in KGGCT and its wholly owned subsidiary, KGGCR, (“KGG Group”) for a cash consideration of S\$1,570,000 through subscription of new ordinary shares issued by KGGCT. The consideration was paid in cash and funded by the Company through internal resources. KGG Group are in the business of distributing, manufacturing and trading of coffee, tea and related products. The consideration was arrived at on a willing-buyer, willing seller basis, taking into account various factors such KGG Group’s financial performance, customer base and business prospects.

Based on the unaudited consolidated accounts of KGG Group as at 30 April 2024, the proportionate net tangible asset value was approximately \$1,462,000.

The acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2024.

As none of the relative figures under Rule 1006 of the Mainboard Listing Rules of the Singapore Exchange Securities Trading Limited exceeds 5%, the acquisition constitutes a non-disclosable transaction under Chapter 10 of the Listing Manual.

None of the directors or controlling shareholders of the Company has any interest, directly or indirectly, in the above transaction other than through their shareholding interests in the Company.

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

Mr Tan Lye Heng Paul
Director

Singapore
8 August 2024