



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 and full year ended 31 December 2022

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A. Consolidated statement of profit or loss and comprehensive income

Consolidated statement of profit or loss

	Note	6 months ended 31.12.2022 \$'000	6 months ended 31.12.2021 \$'000	Change %	12 months ended 31.12.2022 \$'000	12 months ended 31.12.2021 \$'000	Change %
Revenue	4	271,620	275,424	(1.4)	553,044	533,268	3.7
Cost of sales		(215,977)	(219,691)	1.7	(437,890)	(420,042)	(4.2)
Gross profit		55,643	55,733	(0.2)	115,154	113,226	1.7
Other income		(1,664)	4,320	n/m	3,054	5,607	(45.5)
Distribution expenses		(23,463)	(22,778)	(3.0)	(48,157)	(45,639)	(5.5)
Administrative expenses		(17,562)	(15,519)	(13.2)	(36,386)	(32,466)	(12.1)
Impairment losses of trade & other receivables (net)		(85)	(447)	81.0	(521)	(852)	38.8
Other expenses		(302)	(750)	59.7	(475)	(1,249)	62.0
Results from operating activities		12,567	20,559	(38.9)	32,669	38,627	(15.4)
Finance income		1,341	451	197.3	2,186	1,485	47.2
Finance costs		(918)	(1,599)	42.6	(2,098)	(2,567)	18.3
Net finance income/(costs)		423	(1,148)	n/m	88	(1,082)	n/m
Profit before tax	6	12,990	19,411	(33.1)	32,757	37,545	(12.8)
Tax expense	7	(2,397)	(3,434)	30.2	(5,022)	(7,652)	34.4
Profit for the year		10,593	15,977	(33.7)	27,735	29,893	(7.2)
Profit attributable to:							
Owners of the Company		6,822	10,637	(35.9)	19,489	19,566	(0.4)
Non-controlling interests		3,771	5,340	(29.4)	8,246	10,327	(20.2)
Profit for the year		10,593	15,977	(33.7)	27,735	29,893	(7.2)
Earnings per share (cents)							
Basic earnings per share		1.23	1.92		3.52	3.54	
Diluted earnings per share		1.23	1.92		3.52	3.54	

n.m. – Not meaningful

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

Consolidated statement of comprehensive income

	6 months ended 31.12.2022 \$'000	6 months ended 31.12.2021 \$'000	12 months ended 31.12.2022 \$'000	12 months ended 31.12.2021 \$'000
Profit for the year	10,593	15,977	27,735	29,893
Other comprehensive income – items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences of foreign operations	(11,614)	2,870	(15,515)	6,188
Translation differences of subsidiary reclassified to profit or loss upon disposal	–	(31)	–	(31)
Translation differences of subsidiary reclassified to retained earnings on de-consolidation	2,772	–	(287)	–
Effective portion of changes in fair value of cash flow hedges	–	1	–	3
Other comprehensive income for the year, net of tax	(8,842)	2,840	(15,802)	6,160
Other comprehensive income – items that will not be reclassified subsequently to profit or loss				
Equity investment FVOCI – net change in fair value	5	(4)	5	8
Other comprehensive income for the year, net of tax	5	(4)	5	8
Total comprehensive income for the year	1,756	18,813	11,938	36,061
Total comprehensive income attributable to:				
Owners of the Company	2,459	12,298	9,815	23,149
Non-controlling interests	(703)	6,515	2,123	12,912
Total comprehensive income for the year	1,756	18,813	11,938	36,061

B. Statements of financial position

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Property, plant and equipment	11	164,802	159,095	45,623	47,208
Intangible assets	12	3,502	1,157	–	–
Investment properties	13	619	678	–	–
Subsidiaries		–	–	37,418	40,001
Associates		–	–	–	–
Other financial assets	10	73	68	73	68
Deferred tax assets		3,685	3,669	–	–
Trade and other receivables		17	37	–	–
Non-current assets		172,698	164,704	83,114	87,277
Other financial assets	10	601	560	601	560
Current tax assets		673	387	–	–
Inventories		52,855	63,809	–	–
Trade and other receivables		134,338	145,952	22,733	20,435
Cash and cash equivalents		194,007	203,230	97,163	97,977
Current assets		382,474	413,938	120,497	118,972
Total assets		555,172	578,642	203,611	206,249
Equity					
Share capital	15	180,099	180,099	180,099	180,099
Reserves		133,329	128,682	4,506	(1,061)
Equity attributable to owners of the Company		313,428	308,781	184,605	179,038
Non-controlling interests		84,777	84,623	–	–
Total equity		398,205	393,404	184,605	179,038
Liabilities					
Loans and borrowings	14	21,022	19,302	13,146	13,419
Deferred income		1,727	2,235	206	261
Deferred tax liabilities		4,825	5,063	–	–
Other payable	18	800	–	–	–
Non-current liabilities		28,374	26,600	13,352	13,680
Loans and borrowings	14	57,780	81,975	334	323
Trade and other payables, including derivatives		66,417	72,893	5,264	13,152
Deferred income		358	384	56	56
Current tax liabilities		4,038	3,386	–	–
Current liabilities		128,593	158,638	5,654	13,531
Total liabilities		156,967	185,238	19,006	27,211
Total equity and liabilities		555,172	578,642	203,611	206,249



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	Hedging reserve \$'000	Retained earnings \$'000			Total \$'000
At 1 January 2021	184,325	(4,226)	237	12,299	39	(1,556)	(2)	98,667	289,783	74,301	364,084
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	19,566	19,566	10,327	29,893
Other comprehensive income											
Foreign currency translation differences of foreign operations	–	–	–	–	–	3,604	–	–	3,604	2,584	6,188
Translation differences of subsidiary reclassified to profit or loss upon disposal	–	–	–	–	–	(31)	–	–	(31)	–	(31)
Net change in fair value – equity investments at FVOCI	–	–	–	–	8	–	–	–	8	–	8
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	–	2	–	2	1	3
Total other comprehensive income	–	–	–	–	8	3,573	2	–	3,583	2,585	6,168
Total comprehensive income for the year	–	–	–	–	8	3,573	2	19,566	23,149	12,912	36,061
Transactions with owners, recognised directly in equity											
Distributions to owners											
Dividends paid (Note 8)	–	–	–	–	–	–	–	(4,151)	(4,151)	(2,590)	(6,741)
Total distributions to owners	–	–	–	–	–	–	–	(4,151)	(4,151)	(2,590)	(6,741)
Total transactions with owners	–	–	–	–	–	–	–	(4,151)	(4,151)	(2,590)	(6,741)
Transfer between reserves											
Appropriation of retained earnings to statutory reserve fund	–	–	–	369	–	–	–	(369)	–	–	–
At 31 December 2021	184,325	(4,226)	237	12,668	47	2,017	–	113,713	308,781	84,623	393,404



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

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	–	–	–	–	–	–	19,489	19,489	8,246	27,735
Other comprehensive income										
Foreign currency translation differences of foreign operations	–	–	–	–	–	(9,382)	–	(9,382)	(6,133)	(15,515)
Translation differences of subsidiary reclassified to profit or loss upon deconsolidation	–	–	–	–	–	(297)	–	(297)	10	(287)
Reclassified to retained earnings on de-consolidation	–	–	2,149	–	–	–	(2,149)	–	–	–
Net change in fair value – equity investments at FVOCI	–	–	–	–	5	–	–	5	–	5
Total other comprehensive income	–	–	2,149	–	5	(9,679)	(2,149)	(9,674)	(6,123)	(15,797)
Total comprehensive income for the year	–	–	2,149	–	5	(9,679)	17,340	9,815	2,123	11,938
Transactions with owners, recognised directly in equity										
Distributions to owners										
Dividends paid (Note 8)	–	–	–	–	–	–	(4,151)	(4,151)	(2,487)	(6,638)
Unclaimed dividends reversed	–	–	–	–	–	–	1	1	–	1
Total distributions to owners	–	–	–	–	–	–	(4,150)	(4,150)	(2,487)	(6,637)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests	–	–	–	–	–	–	–	–	300	300
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	(218)	(218)	218	–
Recognition of put option granted to non-controlling interests (Note 18)	–	–	(800)	–	–	–	–	(800)	–	(800)
Total changes in ownership interests in subsidiaries	–	–	(800)	–	–	–	(218)	(1,018)	518	(500)
Total transactions with owners	–	–	(800)	–	–	–	(4,368)	(5,168)	(1,969)	(7,137)
Transfer between reserves										
Appropriation of retained earnings to statutory reserve fund	–	–	–	63	–	–	(63)	–	–	–
At 31 December 2022	184,325	(4,226)	1,586	12,731	52	(7,662)	126,622	313,428	84,777	398,205



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 2021	184,325	(4,226)	39	(2,094)	178,044
Total comprehensive income for the year					
Profit for the year	–	–	–	5,137	5,137
Other comprehensive income					
Net change in fair value – equity investments at FVOCI	–	–	8	–	8
Total other comprehensive income	–	–	8	–	5,145
Total comprehensive income for the year	–	–	8	5,137	5,145
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(4,151)	(4,151)
Total distributions to owners	–	–	–	(4,151)	(4,151)
Total transactions with owners	–	–	–	(4,151)	(4,151)
At 31 December 2021	184,325	(4,226)	47	(1,108)	179,038



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	–	–	–	9,713	9,713
Other comprehensive income					
Net change in fair value – equity investments at FVOCI	–	–	5	–	5
Total other comprehensive income	–	–	5	–	5
Total comprehensive income for the year	–	–	5	9,713	9,718
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(4,151)	(4,151)
Total distributions to owners	–	–	–	(4,151)	(4,151)
Total transactions with owners	–	–	–	(4,151)	(4,151)
At 31 December 2022	184,325	(4,226)	52	4,454	184,605

D. Consolidated statement of cash flows

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Profit for the year		27,735	29,893
Adjustments for:			
Amortisation of deferred income	6	(436)	(509)
Amortisation of intangible assets	6	133	–
Depreciation of investment properties	6	19	35
Depreciation of property, plant and equipment	6	16,100	16,018
Dividend income	6	(3)	(2)
Gain on de-consolidation of subsidiaries	6	(708)	–
Gain on disposal of subsidiary	6	–	(2,261)
(Gain)/Loss on disposal of property, plant and equipment	6	(130)	67
Impairment loss on trade receivables	6	521	852
Goodwill written off	6	51	–
Interest income	6	(2,077)	(1,483)
Interest expense	6	2,098	2,072
Net (increase)/decrease in fair value of financial assets at fair value through profit or loss	6	(106)	495
Inventories written down	6	1,085	206
Property, plant and equipment written off	6	193	16
Tax expense	7	5,022	7,652
Unrealised exchange gain		(715)	(411)
		48,782	52,640
Changes in:			
-Inventories		6,730	(10,066)
-Trade and other receivables		5,745	(9,133)
-Trade and other payables		(5,138)	(1,189)
Cash generated from operations		56,119	32,252
Tax paid		(5,123)	(6,490)
Net cash from operating activities		50,996	25,762
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	17	(1,546)	–
Proceeds from disposal of a subsidiary		–	12,415
Dividend received		3	2
Interest received		1,610	825
Proceeds from disposal of financial assets at fair value through profit or loss		65	–
Proceeds from disposal of property, plant and equipment		348	1,266
Purchase of property, plant and equipment		(22,256)	(10,788)
Net cash (used in)/from investing activities		(21,776)	3,720
Cash flows from financing activities			
Decrease/(Increase) in deposits pledged		4,257	(3,591)
Dividends paid	8	(6,638)	(6,741)
Interest paid		(1,658)	(2,191)
Payment of lease liabilities		(1,499)	(2,702)
Proceeds from loans and borrowings		127,225	135,840
Repayment of loans and borrowings		(150,371)	(117,100)
Net cash (used in)/from financing activities		(28,684)	3,515

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

	Note	2022 \$'000	2021 \$'000
Net increase in cash and cash equivalents		536	32,997
Cash and cash equivalents at 1 January		187,372	152,321
Effect of exchange rate fluctuations on cash held		(5,502)	2,054
Cash and cash equivalents at 31 December		182,406	187,372
Comprising			
Cash at bank and in hand		85,250	170,725
Fixed deposits with banks		108,757	32,505
Cash and cash equivalents in the statement of financial position		194,007	203,230
Deposits pledged		(11,601)	(15,858)
Cash and cash equivalents in the statement of cash flows		182,406	187,372

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 year ended 31 December 2022 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 year ended 31 December 2022 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 2021.

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 amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2021.

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.

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

2.2. Use of judgements and estimates (cont'd)

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for six months and year ended 31 December 2022 except:

- impairment test: key assumptions of underlying recoverable amounts of property, plant and equipment

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 31 December 2022				12 Months Ended 31 December 2022			
	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total operations \$'000	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total operations \$'000
Total segment revenue:								
Sales of goods, recognised at a point in time	110,823	160,826	–	271,649	216,840	336,264	–	553,104
Inter-segment revenue	–	(29)	–	(29)	–	(60)	–	(60)
External revenue	110,823	160,797	–	271,620	216,840	336,204	–	553,044
Results from operating activities	4,594	11,283	(3,012)	12,865	10,238	24,178	436	34,852
Finance income	1,145	530	(334)	1,341	1,266	919	1	2,186
Finance expense	(313)	(605)	–	(918)	(640)	(1,458)	–	(2,098)
Net finance cost	832	(75)	(334)	423	626	(539)	1	88
Unallocated amounts – Other corporate expenses, net of income				(298)				(2,183)
Profit before tax				12,990				32,757
Tax expense				(2,397)				(5,022)
Profit for the period/year				10,593				27,735
Other segment information:								
Allowance for impairment of receivables:								
- trade receivables	321	98	–	419	305	216	–	521
- other receivables	–	–	(334)	(334)	–	–	–	–
Inventories written down	204	569	–	773	399	686	–	1,085
Depreciation of:								
- property, plant and equipment	2,445	5,648	–	8,093	4,940	11,160	–	16,100
- investment properties	–	–	9	9	–	–	19	19
Property, plant and equipment written off	46	86	6	138	49	138	6	193
Additions to non-current assets								
- property, plant and equipment	1,891	4,866	–	6,757	2,825	26,504	–	29,329
- intangible assets	2,632	–	–	2,632	2,632	–	–	2,632
Segment assets					244,429	310,014	729	555,172
Segment liabilities					45,542	111,406	19	156,967



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

4.1. Reportable segments (cont'd)

Group	6 Months Ended 31 December 2021				12 Months Ended 31 December 2021			
	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total operations \$'000	Consumer Essentials - Consumer Business \$'000	Strategic Investments - Packaging \$'000	Others \$'000	Total operations \$'000
Total segment revenue:								
Sales of goods, recognised at a point in time	83,959	191,495	–	275,454	165,684	367,513	–	533,197
Rental income, recognised over time	–	–	–	–	–	–	130	130
Inter-segment revenue	–	(30)	–	(30)	–	(59)	–	(59)
External revenue	83,959	191,465	–	275,424	165,684	367,454	130	533,268
Results from operating activities	5,046	16,119	878	22,043	9,468	31,713	(247)	40,934
Finance income	(255)	366	340	451	210	605	670	1,485
Finance expense	(810)	(789)	–	(1,599)	(1,134)	(1,433)	–	(2,567)
Net finance cost	(1,065)	(423)	340	(1,148)	(924)	(828)	670	(1,082)
Unallocated amounts – Other corporate expenses, net of income				(1,484)				(2,307)
Profit before tax				19,411				37,545
Tax expense				(3,434)				(7,652)
Profit for the period/year				15,977				29,893
Other segment information:								
Allowance for impairment of receivables:								
- trade receivables	48	60	–	108	77	107	–	184
- other receivables	–	–	339	339	–	–	668	668
Inventories written down	94	9	–	103	162	45	–	206
Depreciation of:								
- property, plant and equipment	2,207	5,888	–	8,095	4,456	11,562	–	16,018
- investment properties	–	–	9	9	–	–	35	35
Property, plant and equipment written off	3	9	–	12	3	13	–	16
Additions to non-current assets								
- property, plant and equipment	1,368	7,184	–	8,552	1,808	9,145	–	10,953
Segment assets					234,098	343,658	886	578,642
Segment liabilities					38,927	145,759	552	185,238

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

4.2 Geographical segments

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Revenue				
Singapore	90,935	81,145	184,280	157,212
Malaysia	46,220	31,289	86,822	62,319
China	134,166	162,990	281,643	313,607
Others	299	–	299	130
	<u>271,620</u>	<u>275,424</u>	<u>553,044</u>	<u>533,268</u>

	Group	
	2022	2021
	\$'000	\$'000
Non-current assets		
Singapore	88,827	72,153
Malaysia	12,093	13,578
China	71,778	78,973
	<u>172,698</u>	<u>164,704</u>

5. Financial assets and financial liabilities

	Note	Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Equity investments – at FVOCI	10	73	68	73	68
Equity investments – at FVTPL	10	601	560	601	560
Cash and cash equivalents		194,007	203,230	97,163	97,977
Trade and other receivables #		131,566	139,637	22,692	18,500
		<u>326,247</u>	<u>343,495</u>	<u>120,529</u>	<u>117,105</u>
Financial liabilities					
Loans and borrowings *		(56,673)	(84,019)	–	–
Trade and other payables **		(51,688)	(58,686)	(4,007)	(12,241)
		<u>(108,361)</u>	<u>(142,705)</u>	<u>(4,007)</u>	<u>(12,241)</u>

Exclude advances to suppliers, prepayments and VAT/GST receivables

* Exclude lease liabilities

** 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 31.12.2022 \$'000	6 months ended 31.12.2021 \$'000	12 months ended 31.12.2022 \$'000	12 months ended 31.12.2021 \$'000
Amortisation of deferred income	(200)	(193)	(436)	(509)
Dividend income	(2)	(1)	(3)	(2)
Gain on disposal of a subsidiary	–	(2,261)	–	(2,261)
Interest income	(1,117)	(834)	(2,077)	(1,483)
Loss/(gain) on de-consolidation of subsidiaries	2,789	–	(708)	–
Amortisation of intangible assets	133	–	133	–
Depreciation of investment properties	9	9	19	35
Depreciation of property, plant and equipment	8,093	8,095	16,100	16,018
Exchange (gain)/loss	(486)	594	153	989
Goodwill written off	51	–	51	–
Interest on borrowings	918	1,104	2,098	2,072
Inventories written down	773	103	1,085	206
(Gain)/Loss on disposal of property, plant and equipment	(300)	21	(130)	67
Net (increase)/decrease in fair value of financial assets designated at FVTPL	(223)	880	(106)	495
Property, plant and equipment written off	138	12	193	16

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

7. Taxation

	Group			
	6 months ended 31.12.2022 \$'000	6 months ended 31.12.2021 \$'000	12 months ended 31.12.2022 \$'000	12 months ended 31.12.2021 \$'000
Current taxation:				
Current year	2,378	2,161	5,685	6,195
Withholding tax	–	1,267	–	1,393
Over provision of tax in respect of prior years	(110)	(90)	(182)	(55)
	2,268	3,338	5,503	7,533
Deferred taxation:				
Origination and reversal of temporary differences	64	21	(551)	5
Under provision of tax in respect of prior years	65	75	70	114
	129	96	(481)	119
	2,397	3,434	5,022	7,652

8. Dividends

	Group and Company	
	2022 \$'000	2021 \$'000
Paid by the Company to owners of the Company:		
Final tax-exempt dividend of 0.50 cents (2021: 0.50 cents) per share in respect of financial year ended 31 December 2021 (2021: 31 December 2020)	2,767	2,767
Interim tax-exempt dividend of 0.25 cents (2021: 0.25 cents) per share in respect of financial year ended 31 December 2022 (2021: 31 December 2021)	1,384	1,384
	4,151	4,151
Group		
	2022 \$'000	2021 \$'000
Paid by subsidiaries to non-controlling interests:		
Final tax-exempt dividend paid of 2.50 cents (2021: 1.0 cents) per share in respect of financial year ended 2021 (2021: 31 December 2020)	1,417	567
Special tax-exempt dividend paid of Nil (2021: 1.0 cents) per share in respect of financial year ended 2021 (2021: 31 December 2020)	–	567
Interim tax-exempt dividend paid of 1.50 cents (2021: 1.50 cents) per share in respect of financial year ended 2022 (2021: 31 December 2021)	850	850
Final dividend in respect of the current financial year	220	606
	2,487	2,590

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

9. Net asset value

	Group		Company	
	2022	2021	2022	2021
Net asset value per ordinary share (cents)	56.64	55.80	33.36	32.35

The calculation of the net asset value per ordinary share was based on total number of issued shares excluding treasury shares 553,415,746 (2021: 553,415,746)

10. Financial assets

	Group and Company	
	2022	2021
	\$'000	\$'000
Financial assets at fair value through other comprehensive income comprise the following:		
- Singapore listed equity securities	73	68
Financial assets at fair value through profit or loss comprise the following:		
- Hong Kong listed equity securities	601	560

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
31 December 2022				
Quoted equity investments – at FVOCI	71	–	–	71
Quoted equity investments – at FVTPL	601	–	–	601
31 December 2021				
Quoted equity investments – at FVOCI	68	–	–	68
Quoted equity investments – at FVTPL	560	–	–	560

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

11. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to \$6,757,000 (31 December 2021: \$8,552,000) and disposed of assets with net book value amounting to \$309,000 (31 December 2021: \$90,000).

12. Intangible assets

	Note	Group		
		Goodwill \$'000	Customer relationship \$'000	Total \$'000
Cost				
At 1 January 2021		1,107	–	1,107
Effect of movements in exchange rates		50	–	50
At 31 December 2021		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
Accumulated amortisation				
At 1 January 2021 and 31 December 2021		–	–	–
Amortisation charge for the year		–	133	133
At 31 December 2022		–	133	133
Carrying amounts				
At 1 January 2021		1,107	–	1,107
At 31 December 2021		1,157	–	1,157
At 31 December 2022		3,103	399	3,502

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	
	2022	2021
	\$'000	\$'000
Cost		
At 1 January	966	11,896
Disposal	–	(10,416)
Effect of movements in exchange rates	(58)	(514)
At 31 December	908	966
Accumulated depreciation		
At 1 January	288	372
Depreciation charge for the year	19	35
Disposal	–	(110)
Effect of movements in exchange rates	(18)	(9)
At 31 December	289	288
Carrying amounts		
At 1 January	678	11,525
At 31 December	619	678
Fair value		
At 31 December	746	874

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	
	2022 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Non-Current				
Secured bank loans	237	3,815	–	–
Lease liabilities	20,785	15,487	13,146	13,419
	<u>21,022</u>	<u>19,302</u>	<u>13,146</u>	<u>13,419</u>
Current				
Secured bank loans	3,717	6,896	–	–
Unsecured bank loans	9,280	24,642	–	–
Bills payable	42,793	48,242	–	–
Trust receipts & banker acceptance	259	–	–	–
Lease liabilities	1,344	1,771	334	323
Unsecured loan from non-controlling interests	387	424	–	–
	<u>57,780</u>	<u>81,975</u>	<u>334</u>	<u>323</u>

Loans and borrowings of S\$46.7 million are secured over property, plant and equipment with net book value of approximately S\$28.2 million (2021: S\$33.7 million) and cash and cash equivalents amounting to S\$11.6 million (2021: S\$15.9 million).

Loans and borrowings of S\$0.4 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

	Group and Company			
	2022		2021	
	Number of shares '000	\$'000	Number of shares '000	\$'000
In issue at 1 January and 31 December	570,997	184,325	570,997	184,325
			2022 Number of shares '000	2021 Number of shares '000
Total number of issued shares			570,997	570,997
Less: Treasury shares			(17,581)	(17,581)
Total number of issued shares excluding treasury shares			<u>553,416</u>	<u>553,416</u>

Since the end of 31 December 2021, there has been no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, shares buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose.

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

15. Share capital (cont'd)

There were also no outstanding convertibles for which shares may be issued.

The Company held 17,581,000 treasury shares as at 31 December 2022 (31 December 2021: 17,581,000), which represents 3.18% of issued shares excluding treasury shares. There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

During the period, the Group obtained control of CKH Food Trading Pte Ltd ("CKH") and 123 Mart Pte Ltd. The fair values of assets acquired and liabilities assumed were as follows:

	\$'000
Property, plant and equipment	1,398
Intangible assets	2,632
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)
Non-controlling interests	(300)
Total purchase price paid in cash	<u>3,300</u>
Less: Cash acquired	<u>(1,754)</u>
Acquisition of subsidiaries, net of cash acquired	<u><u>1,546</u></u>

E. Notes to the condensed interim consolidated financial statements (cont'd)**18. Other payable**

Other payable relates to vendor put options in connection with the Group's acquisition of the remaining 20% equity interest in C.K.H. Food Trading Pte. Ltd. ("CKH") from the non-controlling interests of CKH. The Group and the non-controlling interests agreed that three years after the acquisition of CKH, an independent valuer shall be appointed to value the remaining 20% equity interest. The vendor put option shall be exercisable by the non-controlling interests of CKH upon determination of the consideration payable for the remaining 20% equity interest and will expire on 31 December 2026.

19. 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 31 December 2022 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 and full year 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 – 2H 2022 vs 2H 2021

The Group recorded revenue of S\$271.6 million in 2H 2022, S\$3.8 million lower than 2H 2021. The decrease was due to reduction in total sales volume from the Packaging Business's China operations as a result of tightened COVID-19 curbs in the regions. The revenue reduction in Packaging Business is cushioned by (i) improved performance at the Malaysia Consumer Business from the opening of international borders and (ii) revenue contributions from acquisition of CKH.

The gross profit margin for 2H 2022 is comparable to corresponding period of 20.2%. The decrease in gross profit for 2H 2022 was mainly due to lower revenue.

Other income decreased in 2H 2022 due to lower government grant and reversal of de-consolidation gain of subsidiaries recognised in 1H 2022. Other income in 2H 2021 also included gain on disposal of a subsidiary S\$2.3 million.

Distribution expenses increased by S\$0.7 million as compared to 2H 2021. The increase is mainly due to higher distribution expense incurred by Malaysia Consumer Business offset by lower expense at the Packaging Business which are in line with the sales trend for the Group.

Administrative expenses increased by S\$2.0 million as compared to 2H 2021. The increase is mainly due to consolidation of CKH operations in FY2022.

Impairment losses on receivables decreased by S\$0.4 million due to impairment on other receivables recognised in 2H 2021.

Other expenses decreased by S\$0.4 million in 2H 2022 as compared to 2H 2021 mainly due to lower exchange loss.

2H 2022 reported a net finance income of \$0.4 million as compared to a net finance expense of S\$1.1 million in 2H 2021. This is due to higher interest income and increase in fair value of financial assets designated at fair value through profit or loss in 2H 2022.

Consolidated statement of profit or loss – FY 2022 vs FY 2021

The Group recorded revenue of S\$553.0 million, an increase of 3.7% as compared to FY 2021. The increase was due to higher revenue from the Consumer Business offset by lower revenue from the Packaging Business from reduction of total sales volume of China's operations resulted from the tightened COVID-19 curbs in China region.

While gross profit margin has decreased marginally from 21.2% in FY 2021 to 20.8%, gross profit for FY 2022 was S\$115.2 million, which is higher than FY 2021 by S\$2.0 million. The higher gross profit was due to higher revenue achieved by Consumer Business.

Other income of S\$3.1 million for FY 2022 was lower than S\$5.6 million in FY 2021. This is due to gain on disposal of a subsidiary S\$2.3 million and higher grant income S\$1.2 million in FY 2021, offset by gain on de-consolidation of subsidiaries S\$0.7 million in FY2022.

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

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

Distribution expenses increased by S\$2.5 million as compared to FY 2021. The increase is mainly due to higher distribution expense incurred by Malaysia Consumer Business offset by lower expense at the Packaging Business which are in line with the sales trend for the Group.

Administrative expenses increased by S\$3.9 million as compared to FY 2021. The increase is mainly due to consolidation of CKH operations in FY2022.

Other expenses decreased by S\$0.8 million in FY 2022 as compared to FY 2021 mainly due to lower exchange loss.

The Group reported a net finance income of \$0.1 million as compared to a net finance expense of S\$1.1 million in FY 2021. This is due to higher interest income and increase in fair value of financial assets designated at fair value through profit or loss.

Statements of financial position

Property, plant and equipment increased S\$5.7 million, mainly due to the acquisition of property at 28 Senoko Drive by Packaging Business offset by depreciation charge and weakening of RMB against SGD. Intangible assets increased by S\$2.3 million was due to goodwill and customer relationships arising from the acquisition of CKH.

Inventories decreased S\$10.9 million, mainly due to better management control on inventory level coupled with reduction in stock holding in anticipation of economic slowdown in China at the Packaging Business.

Trade and other receivables decreased S\$11.6 million, mainly from Packaging Business due to weakening of RMB against SGD and partly attributable to reduction in revenue.

Lease liabilities increased by S\$4.9 million mainly due to the recognition of lease liabilities from land lease at 28 Senoko Drive. Loans and borrowings decreased S\$27.3 million due to repayment during the period.

Trade and other payables decreased S\$6.5 million, mainly from Packaging Business due to lower trade payables in line with reduction of revenue.

Consolidated statement of cash flows

Cash and cash equivalents decreased by S\$0.5 million. The Group recorded a net operating cash inflow of S\$51.0 million from operating profits and improved working capital. This was offset by net cash used in investing activities of S\$21.8 million for capital expenditure and net cash of S\$28.7 million used in financing activities for repayment of borrowings and payment of dividends.

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

Despite the re-opening of international borders and resumption of economic activities to pre-Covid levels, consumer sentiments remained cautious. The effects of increased inflation and interest rate hikes will negatively impact consumer spending and inhibit household spending.

As for the Packaging Segment, heightened inflation rate, supply chain disruptions and increased interest rates continue to affect our business operating environments. The Packaging Segment will strive to capture new business opportunities and fulfill packaging requirements of MNC customers. It will continue to adopt prudent financial management, cost control and explore suitable businesses and investments to drive growth.

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 own business and exercise caution when exploring business opportunities for sustainable growth.

5. Dividend information

(a) Current financial period reported on

Name of dividend	Interim	Final
Dividend type	Cash; Tax exempt (1-tier)	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.0025 per ordinary share	S\$0.01 per ordinary share

(b) Corresponding period of the immediately preceding financial year

Name of dividend	Interim	Final
Dividend type	Cash; Tax exempt (1-tier)	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.0025 per ordinary share	S\$0.0050 per ordinary share

(c) The date the dividend is payable

The proposed final dividend, if approved by the Shareholders at the Annual General Meeting to be held on 28 April 2023, will be payable on 16 June 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 1 June 2023 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

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 31 May 2023 will be registered to determine Shareholders' entitlements to the final dividend.

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

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. A breakdown of sales as follows:

	2022 \$'000	2021 \$'000	Change %
(a) Sales reported for first half year	281,424	257,844	9.1
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	17,142	13,916	23.2
(c) Sales reported for second half year	271,620	275,424	(1.4)
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	10,593	15,977	(33.7)

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.



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

11. 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 strike off of the following inactive subsidiaries from the Register of Companies under Section 344A of the Companies Act 1967:

- (i) PSC International Pte Ltd
- (ii) Health Solutions Holdings Pte. Ltd.
- (iii) Health Solutions International Pte. Ltd.

On behalf of the Board of Directors

Dr Goi Seng Hui
Executive Chairman

Dr Chen Seow Phun, John
Director

Singapore
Date: 24 February 2023