



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 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 Dec 2023 \$'000	6 months ended Dec 2022 \$'000	Change %	12 months ended Dec 2023 \$'000	12 months ended Dec 2022 \$'000	Change %
Revenue	4	243,834	271,620	(10.2%)	482,140	553,044	(12.8%)
Cost of sales		(182,803)	(215,977)	15.4%	(368,387)	(437,890)	15.9%
Gross profit		61,031	55,643	9.7%	113,753	115,154	(1.2%)
Other income		943	(1,664)	n.m.	2,122	3,054	(30.5%)
Distribution expenses		(24,840)	(23,463)	(5.9%)	(47,766)	(48,157)	0.8%
Administrative expenses		(16,718)	(17,562)	4.8%	(33,322)	(36,386)	8.4%
Impairment losses of trade receivables (net)		(524)	(85)	(516.5%)	(279)	(521)	46.5%
Other expenses		(464)	(302)	(53.6%)	(825)	(475)	(73.7%)
Results from operating activities		19,428	12,567	54.6%	33,683	32,669	3.1%
Finance income		3,416	1,224	179.1%	6,492	2,186	197.0%
Finance costs		(1,278)	(801)	(59.6%)	(2,154)	(2,098)	(2.7%)
Net finance income		2,138	423	405.4%	4,338	88	n.m.
Profit before tax	6	21,566	12,990	66.0%	38,021	32,757	16.1%
Tax expense	7	(5,094)	(2,397)	(112.5%)	(8,179)	(5,022)	(62.9%)
Profit for the year		16,472	10,593	55.5%	29,842	27,735	7.6%
Profit attributable to:							
Owners of the Company		12,016	6,822	76.1%	21,797	19,489	11.8%
Non-controlling interests		4,456	3,771	18.2%	8,045	8,246	(2.4%)
Profit for the year		16,472	10,593	55.5%	29,842	27,735	7.6%
Earnings per share (cents)							
Basic and diluted earnings per share		2.20	1.23		3.97	3.52	

n.m. – Not meaningful

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

Consolidated statement of comprehensive income

	6 months ended Dec 2023 \$'000	6 months ended Dec 2022 \$'000	12 months ended Dec 2023 \$'000	12 months ended Dec 2022 \$'000
Profit for the year	16,472	10,593	29,842	27,735
Other comprehensive income – items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences of foreign operations	(1,248)	(11,614)	(7,242)	(15,515)
Translation differences of subsidiary reclassified to profit or loss upon de-consolidation	–	2,772	–	(287)
Other comprehensive income for the year, net of tax	(1,248)	(8,842)	(7,242)	(15,802)
Other comprehensive income – items that will not be reclassified subsequently to profit or loss				
Equity investment FVOCI – net change in fair value	4	5	5	5
Other comprehensive income for the year, net of tax	4	5	5	5
Total comprehensive income for the year	15,228	1,756	22,605	11,938
Total comprehensive income attributable to:				
Owners of the Company	11,093	2,459	16,876	9,815
Non-controlling interests	4,135	(703)	5,729	2,123
Total comprehensive income for the year	15,228	1,756	22,605	11,938

B. Statements of financial position

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Property, plant and equipment	11	163,351	164,802	45,752	45,623
Intangible assets	12	3,329	3,502	–	–
Investment properties	13	564	619	–	–
Subsidiaries		–	–	40,278	37,418
Associates		–	–	–	–
Other financial assets	10	16,240	73	78	73
Deferred tax assets		3,180	3,685	177	–
Trade and other receivables		205	17	–	–
Non-current assets		186,869	172,698	86,285	83,114
Other financial assets	10	197	601	197	601
Current tax assets		286	673	–	–
Inventories		48,445	52,855	–	–
Trade and other receivables		119,685	134,338	34,568	22,733
Cash and cash equivalents		215,868	194,007	84,825	97,163
Current assets		384,481	382,474	119,590	120,497
Total assets		571,350	555,172	205,875	203,611
Equity					
Share capital	15	177,302	180,099	177,302	180,099
Reserves		145,375	133,329	9,076	4,506
Equity attributable to owners of the Company		322,677	313,428	186,378	184,605
Non-controlling interests		81,378	84,777	–	–
Total equity		404,055	398,205	186,378	184,605
Liabilities					
Loans and borrowings	14	21,382	21,022	13,183	13,146
Other payable	18	800	800	–	–
Deferred income		1,543	1,727	150	206
Deferred tax liabilities		6,108	4,825	–	–
Non-current liabilities		29,833	28,374	13,333	13,352
Loans and borrowings	14	70,102	57,780	356	334
Current tax liabilities		3,689	4,038	4	–
Trade and other payables		63,318	66,417	5,748	5,264
Deferred income		353	358	56	56
Current liabilities		137,462	128,593	6,164	5,654
Total liabilities		167,295	156,967	19,497	19,006
Total equity and liabilities		571,350	555,172	205,875	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	–	–	–	–	–	–	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)
Net change in fair value – equity investments at FVOCI	–	–	–	–	5	–	–	5	–	5
Total other comprehensive income	–	–	–	–	5	(9,679)	–	(9,674)	(6,123)	(15,797)
Total comprehensive income for the year	–	–	–	–	5	(9,679)	19,489	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 (Note 17)	–	–	–	–	–	–	–	–	300	300
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	(218)	(218)	218	–
Recognition of put option granted to non-controlling interests	–	–	(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)	–	–	–
Other reserves reclassified to retained earnings on de-consolidation	–	–	2,149	–	–	–	(2,149)	–	–	–
	–	–	2,149	63	–	–	(2,212)	–	–	–
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)

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	-	-	-	-	-	-	21,797	21,797	8,045	29,842
Other comprehensive income										
Foreign currency translation differences of foreign operations	-	-	-	-	-	(4,926)	-	(4,926)	(2,316)	(7,242)
Net change in fair value – equity investments at FVOCI	-	-	-	-	5	-	-	5	-	5
Total other comprehensive income	-	-	-	-	5	(4,926)	-	(4,921)	(2,316)	(7,237)
Total comprehensive income for the year	-	-	-	-	5	(4,926)	21,797	16,876	5,729	22,605
Transactions with owners, recognised directly in equity										
Distributions to owners										
Dividends paid (Note 8)	-	-	-	-	-	-	(7,112)	(7,112)	(3,986)	(11,098)
Purchase of treasury shares (Note 15)	-	(2,797)	-	-	-	-	-	(2,797)	-	(2,797)
Total distributions to owners	-	(2,797)	-	-	-	-	(7,112)	(9,909)	(3,986)	(13,895)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests (Note 17(i))	-	-	-	-	-	(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	-	(2,797)	-	-	-	(384)	(4,446)	(7,627)	(9,128)	(16,755)
Transfer between reserves										
Appropriation of retained earnings to statutory reserve fund	-	-	-	(4)	-	-	4	-	-	-
At 31 December 2023	184,325	(7,023)	1,586	12,727	57	(12,972)	143,977	322,677	81,378	404,055

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

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	–	–	–	11,677	11,677
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	11,677	11,682
Transactions with owners, recognised directly in equity					
Distributions to owners					
Dividends paid (Note 8)	–	–	–	(7,112)	(7,112)
Purchase of treasury shares (Note 15)	–	(2,797)	–	–	(2,797)
Total distributions to owners	–	(2,797)	–	(7,112)	(9,909)
Total transactions with owners	–	(2,797)	–	(7,112)	(9,909)
At 31 December 2023	184,325	(7,023)	57	9,019	186,378

D. Consolidated statement of cash flows

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Profit for the year		29,842	27,735
Adjustments for:			
Amortisation of deferred income	6	(384)	(436)
Amortisation of intangible assets	6	133	133
Depreciation of investment properties	6	18	19
Depreciation of property, plant and equipment	6	15,585	16,100
Dividend income	6	(5)	(3)
Gain on de-consolidation of subsidiaries	6	–	(708)
Goodwill written off	6	–	51
Impairment loss on trade receivables		279	521
Interest income	6	(6,487)	(2,077)
Interest expense	6	1,750	2,098
Inventories written down	6	(469)	1,085
Loss/(gain) on disposal of property, plant and equipment	6	332	(130)
Net decrease/(increase) in fair value of financial assets at fair value through profit or loss	6	404	(106)
Property, plant and equipment written off	6	217	193
Tax expense	7	8,179	5,022
Unrealised exchange gain		(359)	(715)
		49,035	48,782
Changes in:			
Inventories		3,399	6,730
Trade and other receivables		12,037	5,745
Trade and other payables		(1,579)	(4,529)
Cash generated from operations		62,892	56,728
Tax paid		(6,280)	(5,123)
Net cash from operating activities		56,612	51,605
Cash flows from investing activities			
Acquisition of other financial assets		(15,811)	–
Acquisition of subsidiaries, net of cash	17	–	(1,546)
Interest received		4,879	1,610
Dividend received		5	3
Proceeds from disposal of financial assets at fair value through profit or loss		–	65
Proceeds from disposal of property, plant and equipment		868	348
Purchase of property, plant and equipment		(16,955)	(22,256)
Net cash used in investing activities		(27,014)	(21,776)
Cash flows from financing activities			
Acquisition of non-controlling interests	17	(2,860)	–
Changes in pledged deposits		1,520	4,257
Dividends paid to owners of the Company	8	(7,112)	(4,151)
Dividends paid to non-controlling interests	8	(3,986)	(2,487)
Interest paid		(1,802)	(2,267)
Payment of lease liabilities		(1,336)	(1,499)
Purchase of treasury shares	15	(2,797)	–
Proceeds from loans and borrowings		102,827	127,225
Repayment of loans and borrowings		(88,139)	(150,371)
Net cash used in financing activities		(3,685)	(29,293)

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

	Note	2023 \$'000	2022 \$'000
Net increase in cash and cash equivalents		25,913	536
Cash and cash equivalents at 1 January		182,406	187,372
Effect of exchange rate fluctuations on cash held		(2,120)	(5,502)
Cash and cash equivalents at 31 December		206,199	182,406
Comprising			
Cash at bank and in hand		62,300	85,250
Fixed deposits with banks		153,568	108,757
Cash and cash equivalents in the statement of financial position		215,868	194,007
Deposits pledged		(9,669)	(11,601)
Cash and cash equivalents in the statement of cash flows		206,199	182,406

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 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 year ended 31 December 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.

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.

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 year.

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 2023				12 Months Ended 31 December 2023			
	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	111,328	132,534	–	243,862	223,324	258,868	–	482,192
Inter-segment revenue	–	(28)	–	(28)	–	(52)	–	(52)
External revenue	111,328	132,506	–	243,834	223,324	258,816	–	482,140
Results from operating activities	5,708	14,385	(45)	20,048	10,927	24,500	(90)	35,337
Finance income	1,974	1,441	1	3,416	4,088	2,402	2	6,492
Finance expense	(696)	(582)	–	(1,278)	(1,081)	(1,073)	–	(2,154)
Net finance cost	1,278	859	1	2,138	3,007	1,329	2	4,338
Unallocated amounts – Other corporate expenses, net of income				(620)				(1,654)
Profit before tax				21,566				38,021
Tax expense				(5,094)				(8,179)
Profit for the period/year				16,472				29,842
Other segment information:								
Allowance for impairment of receivables:								
- trade receivables	240	284	–	524	220	59	–	279
Inventories written down/(write-back)	209	(299)	–	(90)	279	(748)	–	(469)
Depreciation of:								
- property, plant and equipment	2,593	5,385	–	7,978	4,967	10,618	–	15,585
- investment properties	–	–	9	9	–	–	18	18
Property, plant and equipment written off	20	139	–	159	22	195	–	217
Additions to non-current assets								
- property, plant and equipment	4,215	5,424	–	9,639	7,146	11,839	–	18,985
Segment assets					246,891	323,804	655	571,350
Segment liabilities					47,734	119,536	25	167,295

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

4.1. Reportable segments (cont'd)

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	1,028	530	(334)	1,224	1,266	919	1	2,186
Finance expense	(196)	(605)	–	(801)	(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)

4.2 Geographical segments

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	\$'000	\$'000	\$'000	\$'000
Revenue				
Singapore	87,736	90,935	174,930	184,280
Malaysia	46,445	46,220	95,378	86,822
China	109,559	134,166	211,580	281,643
Others	94	299	252	299
	<u>243,834</u>	<u>271,620</u>	<u>482,140</u>	<u>553,044</u>

	Group	
	2023	2022
	\$'000	\$'000
Non-current assets		
Singapore	87,552	88,827
Malaysia	13,323	12,093
China	85,994	71,778
	<u>186,869</u>	<u>172,698</u>

5. Financial assets and financial liabilities

	Note	Group		Company	
		Dec 2023	Dec 2022	Dec 2023	Dec 2022
		\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value					
Equity investments – at FVOCI	10	78	73	78	73
Equity investments – at FVTPL	10	197	601	197	601
		<u>275</u>	<u>674</u>	<u>275</u>	<u>674</u>
Financial assets not measured at fair value					
Cash and cash equivalents		215,868	194,007	84,825	97,163
Trade and other receivables #		117,170	131,567	34,564	22,692
Time deposits – at amortised cost		16,162	–	–	–
		<u>349,200</u>	<u>325,574</u>	<u>119,389</u>	<u>119,855</u>
Financial liabilities not measured at fair value					
Loans and borrowings *		(68,889)	(56,673)	–	–
Trade and other payables **		(51,577)	(52,488)	(4,558)	(4,007)
		<u>(120,466)</u>	<u>(109,161)</u>	<u>(4,558)</u>	<u>(4,007)</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 Dec 2023 \$'000	6 months ended Dec 2022 \$'000	12 months ended Dec 2023 \$'000	12 months ended Dec 2022 \$'000
Finance income				
Interest income from fixed deposits	(3,413)	(1,000)	(6,487)	(2,077)
Dividend income	(3)	(1)	(5)	(3)
Net increase in fair value of financial assets designated at FVTPL	–	(223)	–	(106)
	(3,416)	(1,224)	(6,492)	(2,186)
Finance costs				
Interest on borrowings & lease liabilities	925	801	1,750	2,098
Net decrease in fair value of financial assets designated at FVTPL	353	–	404	–
	1,278	801	2,154	2,098
Amortisation of deferred income	(190)	(200)	(384)	(436)
Amortisation of intangible assets	66	133	133	133
Depreciation of investment properties	9	9	18	19
Depreciation of property, plant and equipment	7,978	8,093	15,585	16,100
Exchange loss/(gain)	362	(486)	165	153
Loss/(gain) on de-consolidation of subsidiaries	–	2,789	–	(708)
Goodwill written off	–	51	–	51
Inventories (write back)/written down	(91)	773	(469)	1,085
Loss/(Gain) on disposal of property, plant and equipment	66	(300)	332	(130)
Property, plant and equipment written off	159	138	217	193

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

7. Taxation

	Group			
	6 months ended Dec 2023 \$'000	6 months ended Dec 2022 \$'000	12 months ended Dec 2023 \$'000	12 months ended Dec 2022 \$'000
Current taxation:				
Current year	2,099	2,134	5,097	5,441
Withholding tax	1,570	244	2,084	244
Overprovision of tax in respect of prior years	(827)	(110)	(845)	(182)
	2,842	2,268	6,336	5,503
Deferred taxation:				
Origination and reversal of temporary differences	1,561	64	1,182	(551)
Underprovision of tax in respect of prior years	691	65	661	70
	2,252	129	1,843	(481)
	5,094	2,397	8,179	5,022

8. Dividends

	Group and Company	
	2023 \$'000	2022 \$'000
Paid by the Company to owners of the Company:		
Final tax-exempt dividend of 1.0 cents (2022: 0.50 cents) per share in respect of financial year ended 31 December 2022 (2022: 31 December 2021)	5,473	2,767
Interim tax-exempt dividend of 0.30 cents (2022: 0.25 cents) per share in respect of financial year ended 31 December 2023 (2022: 31 December 2022)	1,639	1,384
	7,112	4,151
	Group	
	2023 \$'000	2022 \$'000
Paid by subsidiaries to non-controlling interests:		
Final tax-exempt dividend paid of 2.50 cents (2022: 2.50 cents) per share in respect of financial year ended 2022 (2022: 31 December 2021)	1,417	1,417
Interim tax-exempt dividend paid of 2.50 cents (2022: 1.50 cents) per share in respect of financial year ended 2023 (2022: 31 December 2022)	1,417	850
Dividend in respect of the current financial year	1,152	220
	3,986	2,487

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

9. Net asset value

	Group		Company	
	2023	2022	2023	2022
Net asset value per ordinary share (cents)	59.17	56.64	34.18	33.36

The calculation of the net asset value per ordinary share was based on total number of issued shares excluding treasury shares 545,296,946 (2021: 553,415,746)

10. Financial assets

	Group and Company	
	2023 \$'000	2022 \$'000
Financial assets comprise the following:		
- Singapore listed equity securities, at fair value through other comprehensive income	78	73
- Hong Kong listed equity securities, at fair value through profit or loss	197	601
- Time deposits, at amortised cost	16,162	–

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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023				
Quoted equity investments – at FVOCI	78	–	–	78
Quoted equity investments – at FVTPL	197	–	–	197
31 December 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 year ended 31 December 2023, the Group acquired property, plant and equipment with an aggregate cost of \$18,985,000 (2022: \$29,329,000) of which \$1,932,000 (2022: \$7,012,000) was acquired under leases and \$98,000 (2022: \$61,000) 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 31 December 2023, the recoverable amount for these CGUs were assessed to be in excess of the respective carrying amounts, no impairment was determined.

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		(40)	–	(40)
At 31 December 2023		3,063	532	3,595
Accumulated amortisation				
At 1 January 2022		–	–	–
Amortisation charge for the year		–	133	133
At 31 December 2022		–	133	133
Amortisation charge for the year		–	133	133
At 31 December 2023		–	266	266
Carrying amounts				
At 1 January 2022		1,157	–	1,157
At 31 December 2022		3,103	399	3,502
At 31 December 2023		3,063	266	3,329

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	
	2023	2022
	\$'000	\$'000
Cost		
At 1 January	908	966
Effect of movements in exchange rates	(56)	(58)
At 31 December	<u>852</u>	<u>908</u>
Accumulated depreciation		
At 1 January	289	288
Depreciation charge for the year	18	19
Effect of movements in exchange rates	(19)	(18)
At 31 December	<u>288</u>	<u>289</u>
Carrying amounts		
At 1 January	<u>619</u>	<u>678</u>
At 31 December	<u>564</u>	<u>619</u>
Fair value		
At 31 December	<u>600</u>	<u>746</u>

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-Current				
Secured bank loans	–	237	–	–
Lease liabilities	21,382	20,785	13,183	13,146
	<u>21,382</u>	<u>21,022</u>	<u>13,183</u>	<u>13,146</u>
Current				
Secured bank loans	12,737	3,648	–	–
Unsecured bank loans	21,025	9,349	–	–
Bills payable	35,127	42,793	–	–
Trust receipts & banker acceptance	–	259	–	–
Lease liabilities	1,213	1,344	356	334
Unsecured loan from non-controlling interests	–	387	–	–
	<u>70,102</u>	<u>57,780</u>	<u>356</u>	<u>334</u>

Loans and borrowings of \$47.9 million (2022: \$46.7 million) are secured over property, plant and equipment with net book value of approximately \$8.9 million (2022: S\$28.2 million) and cash and cash equivalents amounting to \$9.7 million (2022: \$11.6 million).

Loans and borrowings of \$Nil (2022: 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 and treasury shares

	Group and Company			
	2023		2022	
	No. of shares	\$'000	No. of shares	\$'000
Share Capital				
In issue at beginning and end of interim period	<u>570,996,746</u>	<u>184,325</u>	<u>570,996,746</u>	<u>184,325</u>
Treasury shares				
At 1 January	17,581,000	4,226	17,581,000	4,226
Purchase of treasury shares	8,118,800	2,797	–	–
At 31 December	<u>25,699,800</u>	<u>7,023</u>	<u>17,581,000</u>	<u>4,226</u>
Share capital in the statement of financial position				
		<u>177,302</u>		<u>180,099</u>
			2023	2022
Total number of issued shares			570,996,746	570,996,746
Less: Treasury shares			(25,699,800)	(17,581,000)
Total number of issued shares excluding treasury shares			<u>545,296,946</u>	<u>553,415,746</u>

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

15. Share capital (cont'd)

	2023	2022
	No. of shares	No. of shares
Treasury shares held	<u>25,699,800</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>4.7%</u>	<u>3.2%</u>

- (i) There was no change in the Company's issued share capital since 31 December 2022.
- (ii) There were no shares that may be issued on conversion of any outstanding convertibles as at 31 December 2023 and 31 December 2022.
- (iii) As at 31 December 2023, 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 31 December 2023 and 31 December 2022. As at 31 December 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") 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.

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.

	2022
	\$'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>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>(1,500)</u>
Goodwill	<u>2,100</u>
Net cash outflow on acquisition	
Total consideration	3,300
Less: Cash and cash equivalents acquired	<u>(1,754)</u>
	<u>(1,546)</u>

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 31 December 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 – 2H 2023 vs 2H 2022

The Group recorded revenue of \$243.8 million in 2H 2023, \$27.8 million (10.2%) lower than 2H 2022. The decrease was mainly due to reduction in revenue contribution from the Packaging Business's China operations from competitive selling price and weakening of Renminbi ("RMB") against Singapore Dollars ("SGD").

The gross profit margin for 2H 2023 of 25% is higher than corresponding period of 20.5%. The increase in gross profit margin was attributed to Packaging Business from reduction of staff costs and electricity expenses through the installation of solar panels.

Other income for 2H 2023 is comparable to corresponding period excluding the reversal of de-consolidation gain of subsidiaries in 2H 2022.

2H 2023 reported a net finance income of \$2.1 million as compared to a net finance income of \$0.4 million in 2H 2022. This is due to higher interest income from fixed deposits as a result of higher fixed deposit rates. Finance costs increased \$0.5 million in 2H 2023 due to decrease in fair value of financial assets designated at FVTPL.

Tax expense increased \$2.7 million mainly due to increase of deferred tax and payment of withholding tax for dividend received from China subsidiaries in 2H 2023.

Consolidated statement of profit or loss – FY 2023 vs FY 2022

The Group recorded revenue of \$482.1 million, a decrease of 12.8% as compared to FY 2022. The decrease was mainly due to reduction in revenue contribution from the Packaging Business mitigated by improved performance at Consumer Business's Malaysia operations due to higher demand.

Gross profit margin has increased from 20.8% in FY 2022 to 23.6%, contributed by Packaging Business due to lower material costs.

Other income of \$2.1 million for FY 2023 was lower than \$3.1 million in FY 2022. This is due to gain on de-consolidation of subsidiaries \$0.7 million in FY2022.

Other expenses increased by \$0.4 million in FY 2023 as compared to FY 2022 mainly due to higher loss on disposal and write off of property plant and equipment.

The Group reported a net finance income of \$4.3 million as compared to a net finance expense of \$0.1 million in FY 2022. This is due to higher interest income from fixed deposits as a result of higher fixed deposit rates.

Tax expense increased \$3.2 million mainly due to increase of deferred tax and payment of withholding tax for dividend received from China subsidiary in FY 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

Other financial assets increased \$16.2 million due to placement of time deposits with reputable financial institutions (maturity dates in 2025 and 2026) during the year.

Trade and other receivables decreased \$14.7 million, mainly from Packaging Business due to reduction in revenue and partly attributable to weakening of RMB against SGD.

Loans and borrowings increased \$12.7 million, mainly due to higher borrowings by China subsidiaries of Packaging Business to fund dividend payment and acquisition of property, plant and equipment.

Consolidated statement of cash flows

Cash and cash equivalents increased by \$25.9 million. The Group recorded a net operating cash inflow of \$55.7 million from operating profits and positive working capital. This was offset by net cash used in investing activities of \$27.0 million mainly for capital expenditure and purchase of other financial assets.

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

Consumer Business registered a 3.0% growth in revenue as compared to corresponding period on the back of higher demand from Malaysia operation. However, in Singapore, operating margins declined as consumer demand was affected by inflation and higher operating cost. The Group will continue to build on its brand equity and its engagement with customers to grow demand and implement cost control measures to mitigate rising operating costs.

The ongoing geopolitical tensions, inflation and volatility in raw material prices continue to influence business environment in Singapore and China for Packaging Business. Packaging Business is constantly seeking ways to enhance operational efficiency and strengthen core competencies. It will continue to adopt prudent financial management and explore suitable business opportunities to drive business growth.

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.

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	Final	Special
Dividend type	Cash; Tax exempt (1-tier)	Cash; Tax exempt (1-tier)	Cash; Tax exempt (1-tier)
Dividend per share	S\$0.003 per ordinary share	S\$0.010 per ordinary share	S\$0.005 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\$0.01 per ordinary share

(c) The date the dividend is payable

The proposed final and special dividend, if approved by the Shareholders at the Annual General Meeting to be held on 25 April 2024, will be payable on 20 June 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 7 June 2024 will be registered to determine Shareholders' entitlements to the final 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. A breakdown of sales as follows:

	2023 \$'000	2022 \$'000	Change %
(a) Sales reported for first half year	238,306	281,424	(15.3%)
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	13,370	17,142	(22.0%)
(c) Sales reported for second half year	243,834	271,620	(10.2%)
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	16,472	10,593	55.5%

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.

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

There are no acquisition or sales of shares by the Company during the period from 1 July 2023 to 31 December 2023 which requires disclosure pursuant to Rule 706A of the Listing Manual.

On behalf of the Board of Directors

Dr Goi Seng Hui
Executive Chairman

Dr Chen Seow Phun, John
Director

Singapore
28 February 2024