

The background of the entire page is a close-up photograph of dandelion seed heads. The color palette is dominated by warm, vibrant oranges and yellows, with some darker, almost black, areas in the shadows of the seed heads. The lighting creates a soft, ethereal glow around the delicate, feathery structures of the seeds. One seed head is in sharp focus in the lower foreground, showing its intricate structure and the reddish-brown base. Another seed head is visible in the upper right, appearing to float or drift away. The overall composition is artistic and evocative, suggesting themes of growth, dispersal, and the passage of time.

PROVISIONS SUPPLIERS CORPORATION LIMITED

ANNUAL REPORT

年度报告

2002

THE INSPIRATION BEHIND THE DANDELION

Many of us would probably have experienced the simple pleasure of making a wish and blowing hard on the fluffy white puff ball of the dandelion, to watch the seeds get carried away in the wind. Yet many may not realise that the dandelion is a hardy plant with a will for survival, propagating itself quickly across immense distances and blooming into bright yellow sunny flowers.

It therefore embodies the very best attributes that PSC strives to achieve, and underscores our strong will not just to survive, but also persevere and succeed under the harshest and most unfavourable of conditions. Its means of propagation aptly reflect our aspirations to let our subsidiaries take flight and blossom in distant lands where opportunities beckon.

It seems befitting that the dandelion derives its name from the French word dents de lion, which means "teeth of the lion," referring to the jagged edges on the leaves.

Besides invoking the much admired Leonine qualities of strength and courage, it also serves as a humble reminder for us, in this age of globalisation, to trace our success to a humble beginning almost 30 years ago, in the Lion City.

CORPORATE PROFILE

Provisions Suppliers Corporation (PSC) is a fully home-grown company formed in 1974, with business interests ranging from retailing through its island-wide chain of about 130 Econ Minimart stores, to manufacturing of food and non-food items, healthcare consultancy, hospital management and the hospitality business. PSC was listed on the main board of Singapore Exchange in October 1990. Over the years, PSC has expanded regionally into Australia, Malaysia and the People's Republic of China.

企业简介

普威联营有限公司 (PSC) 于1974年成立，是一家新加坡本地企业，业务范围包括了遍及全岛130家的宜康自助市场零售业、食品及非食品制造、保健咨询、医院管理以及酒店业务等。普威联营并于1990年10月在新加坡证券交易所挂牌上市。多年来，普威联营已将业务由本地拓展至澳洲、马来西亚、中国等海外地区。

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Allan Yap
Executive Chairman

STATEMENT FROM THE EXECUTIVE CHAIRMAN

It is with pleasure that I present to our shareholders the Company's 2002 Annual Report.

The global economy experienced marginal recoveries in 2002 while the Singapore economy grew in comparison to a contraction in 2001. It is uncertain how our local economic environment and world economies will be affected in 2003 by the state of the U.S. stock market, the unfolding events following the war in Iraq and the current SARS crisis. Despite these factors, the Group must continue to push forward to build value for our shareholders.

2002 marked a year of new direction for the Group. Strategically, the Group proceeded to divest itself of certain non-core, under-performing businesses so that it could further focus its capital and human resources on consolidating its primary businesses. By strengthening these vital business segments, we believe that the Group will be poised for greater achievements in the years to come.

In March 2002, Hanny Holdings Limited became the Group's major shareholder. Hanny is a diversified holding company with its shares listed on The Hong Kong Stock Exchange. As the owner of the world famous Memorex® trademark, Hanny has successfully established an extensive global sales and distribution network, marketing Memorex® branded computer related and consumer electronics products worldwide.

By combining the expertise of our two companies, the potential synergistic effects for the Group are immense.

执行董事主席献词

我很荣幸地代表董事局向各位股东呈报本公司 2002 年常年报告。

2002 年全球经济略有复苏，新加坡的经济状况跟 2001 年相比也稍有起色。展望 2003 年，美国股票市场，伊拉克战争以及目前发生的非典型肺炎瘟疫，将对本地经济环境和全球经济造成什么影响，目前尚难以定论。但尽管存在上述因素，集团仍将继续努力，为股东创造价值。

2002 年期间，集团对发展趋势做了一些调整。配合我们的策略，集团会脱售一些非核心的、表现欠佳的业务，以便进一步把资源和人力集中在主要业务上。通过加强各种重要业务的发展，相信集团能作好准备，在来年取得更好的成绩。

2002 年 3 月，锦兴集团有限公司成为集团的大股东。锦兴是一家从事多种业务经营的控股公司，同时也是香港股票交易所的上市公司。作为享誉全球的 Memorex® 商标的拥有者，锦兴成功地在世界各地建立了广泛的销售及批发网络，以推广 Memorex® 品牌的电脑类产品及消费电子产品。

结合两大企业的专长，集团未来的合作潜力非常巨大。

Capitalizing on Hanny's sales and marketing experience, the Group expects to further:

- solidify our marketing and distribution capabilities in Singapore
- expand and open doors to new markets for the Group's distribution network worldwide
- improve our existing branding techniques and customer relations

Through its mergers and acquisitions knowledge and diversified portfolio management skills, Hanny could also assist the Group in realizing its plans for further diversification by providing us with access to:

- its extensive corporate finance and management teams
- its base of shareholders who have well-established business interests and connections worldwide
- potential attractive investment opportunities

An ever-changing global economy demands players to respond with utmost care and agility in order to succeed. The Group believes that with the support of its major shareholder and by implementing effective strategic plans, it is well-positioned to achieve further successes in the coming years. We see the opportunities on the horizon and are ready to explore the challenges before us.

To conclude, I would like to thank our Board of Directors and employees for their hard work and contributions this year. I would also like to express my appreciation to my predecessor, Mr. Tan Ling San, for the invaluable guidance he has provided to the Group over the years. Finally, to our customers and shareholders, my sincerest thanks for your continuing support and confidence in the Company. We look forward to the year ahead.

Allan Yap
Executive Chairman

利用锦兴在销售及市场推广上的经验，集团期望进一步：

- 加强我们在新加坡的市场推广及分销能力
- 扩展全球分销网络，开发新市场
- 改进现有的品牌技术及与客户的关系

通过锦兴在合并收购方面的经验及多种经营管理的技能，它也提供以下优势以协助集团进一步扩大多种经营的计划：

- 有广阔视野的企业财务及管理层队伍
- 业务建树良好并且联系广泛的股东群
- 潜在的有吸引力的投资机会

在全球经济瞬息多变的情况下，参与者须要极其谨慎、灵活地应对，才能取得成功。集团相信，在大股东的支持下，通过采取有效策略，定能在未来几年取得更大的成功。我们已经看到了许多商机，同时也准备好了去探讨未来我们所面对的各种挑战。

在总结之前，我要感谢董事会及所有员工在本年度的辛勤工作及贡献。我同时也要感谢我的前任主席陈能山先生多年来对集团的宝贵指导。最后，我要向为公司提供不懈支持与信任的全体客户与股东表达诚挚的谢意。我们期望来年会更好。

Allan Yap
执行董事主席



Foo Der Rong
Managing Director & CEO

STATEMENT FROM THE MANAGING DIRECTOR & CEO

As the new Managing Director and Chief Executive Officer (with effect from 1 February 2003), I hereby highlight the performance of the Group and major events in 2002. I would also like to share with you our business direction henceforth.

First of all, it is my pleasure to welcome our new major shareholder, Hanny Holdings Limited and four new directors, namely, Dr. Allan Yap, Mr. Chan Yeuk Wai, Mr. Richard Lui and Mr. Chua Keng Hiang, to the PSC Board.

OVERVIEW

In 2002, the Group's turnover dipped by 3.99% to \$155.13 million. In the current year, the Group took a charge of \$2.98 million as provision for impairment loss on some assets, resulting in a decline of 35.58% in operating profit before interest and taxation from \$8.17 million in FY2001 to \$5.26 million in FY2002. Without the provision, the business performance of the Group of the two years would have been comparable.

The results from our business operations were profitable, but the Group had to recognise a loss of \$6.91 million upon the divestment of an associate, Pulai Springs Berhad, pursuant to the listing requirement of the Malaysian authority. This resulted in the Group's net loss of \$3.72 million, in line with the profit warning issued by the Board of Directors on 9th December 2002. Pulai Springs Berhad ceased to be an associate of the Group after the completion of the initial public offering, which effectively reduced our stake to 11.64%.

In 2002, Hanny Holdings Limited became a major shareholder of the Company. As explained by the new Executive Chairman, Dr. Allan Yap, Hanny is PSC's strategic business partner and the potential value to be created from the synergy of the two Groups will benefit you, our valued shareholders. Year 2002 also saw the retirement of two Executive Directors, Mr. Chong Kar Kee and Mr. Chew Tuan Gee. Mr. Tan Ling San, the former Executive Chairman, announced his retirement in early 2003.

董事经理兼总裁献词

作为新任董事经理兼总裁(自 2003 年 2 月起生效),我在此,就 2002 年集团的业绩和重要事项,以及今后的业务发展方向,向各位作一汇报。

首先,我很荣幸地欢迎我们新的大股东 - 锦兴集团有限公司 - 以及四位新董事,即 Allan Yap 博士、陈若伟先生、吕兆泉先生和蔡敬贤先生加入普威董事会。

回顾

2002 年,集团营业额下降 3.99%,为 1.5513 亿元。该年度,集团有 298 万元的费用是作为部分资产的减损预备金,导致营业利润(扣除利息和税款之前)减少 35.58%,从 2001 财政年度的 817 万元下降到 2002 财政年度的 526 万元。如果没有这部分减损预备金的话,集团这两年的业绩大致可以相比的。

业务经营的目标为盈利,但集团在依照马来西亚政府的上市条款规定,从合伙企业 Pulai Springs Berhad 撤资时亏损了 691 万元。正如董事会 2002 年 12 月 9 日发布的利润警告,该项撤资给集团造成的净亏损为 372 万元。上市完成后, Pula Springs Berhad 不再是集团的合伙企业,最后我们实有的股份会减至 11.64%。

2002 年,锦兴集团有限公司成为公司的大股东。正如新任执行董事主席 Allan Yap 博士所说,锦兴集团有限公司是普威的战略商业伙伴,而且两家集团的协同作用将创造潜在价值,使各位股东受益。另外,在 2002 年,两位执行董事 - 张家驹先生和周端仪先生 - 退休。前执行董事主席陈能山先生则于 2003 年初宣布退休。

Shareholders should be happy to know that following the changes at the top, the entire organisation has been restructured and streamlined to brace itself for take-off with the second wind. We must look for *new cheese*, or if you like, a new rice bowl, in order to survive and thrive further. I am indeed honoured to take on the challenge to propel the Group forward.

In this respect, the Group will channel resources to further develop two existing core segments, namely, consumer & industrial and healthcare. A critical analysis of the Group's businesses is appended as follows.

SEGMENTAL REVIEW

Consumer & Industrial

The business operations of the Group in this segment include trading and distribution, retailing and manufacturing. Geographically, the operations span two countries, Singapore and Malaysia, with associates operating in China. The turnover achieved by the segment in 2002 was \$126.16 million, which constituted approximately 80% of the Group's turnover. The segment's significance to the Group cannot be over-emphasised.

Segmental turnover fell in 2002, mainly due to lower business contribution from Econ Mini-marts in Singapore, which form part of an extensive retail network in Singapore, apart from supermarkets, mini-marts and provisions shops. Intense new competition from other supermarket chains has led to a number of Econ Mini-marts owners withdrawing from the franchise.

The Group is aware of the challenges facing the 130 Econ Mini-marts. Plans are afoot to revamp these retail outlets to attract more customers. Being one of the largest retail chains with a high concentration of outlets in all the housing estates, the Group believes it can be more aggressive and pro-active in its drive to rejuvenate the chain and acquire more agency businesses, to be supported by a logistics hub.

Our strategy to concentrate on the food sector has paid off, with Fortune Food, our wholly owned subsidiary, making a strong turnaround to profitability. It has achieved Super Brand status, and met stringent standards for HACCP SS-444:1998 certification. Continual product innovation will meet the discerning needs and tastes of Singaporeans.

Tips Industry (M) Sdn. Bhd., the Group's subsidiary in Malaysia, and one of Malaysia's leading consumer paper product manufacturers, scored a couple of "firsts". It is the only company to produce coloured kitchen towels in South-east Asia and the only manufacturer to produce interfold towels in Malaysia. The market for paper products is growing both domestically and globally.

We will continue to grow our stable of household brands to provide a comfortable ballast for our income streams.

Leisure and Recreational

In the past years, Pulau Springs Resort Berhad ("PSRB") contributed substantial profits to the Group. During the year, the Group took the opportunity to cash out the investment in PSRB through its listing.

各位股东一定乐于知道：在高层变动后，整个公司完成了重组，提高效率，为下一次腾飞做好准备。我们必须寻找新的“乳酪”，或者说新的饭碗，从而继续生存并进一步发展。我很荣幸能够承担推动集团继续前进的重任。

就发展方向而言，集团将挖掘资源，从而进一步发展目前的两个核心部份，即消费/工业市场以及保健业。下面我对集团的各项业务作一分析。

对各部份业务的回顾

消费/工业市场

集团在这部份的业务包括贸易和分销、零售以及制造。从地理角度看，这些业务跨越两个国家－新加坡和马来西亚，在中国则有合作企业。这部份的业务在2002年取得营业额为1.2616亿元，大约占集团营业额的80%。该领域对集团的重要性是不言而喻的。

2002年，这部份的营业额下降，主要是因为新加坡宜康自助市场的业务下滑。该市场是除超市、迷你市场和杂货店之外，由分布广泛的零售网所组成的部分。来自其它连锁超市的激烈竞争导致一些宜康自助市场的业主退出了该特许经营体系。

集团意识到130家宜康自助市场所面临的挑战。我们正在实施一些计划，翻新这些零售网点，以便吸引更多顾客。作为最大的零售连锁店之一，集团在所有住宅区都有密集的网点，集团相信，在后勤中心的支持下，我们在重振连锁店的过程中能够更加积极主动，并获取更多代理业务。

随着我们的全资子公司鸿运食品品牌取得扭亏为盈的骄人业绩，我们以食品业为重点的战略已经得到了回报。鸿运食品厂现已获得HACCP SS-444:1998的认证与达到国际标准规范。其不断创新和高品质的产品将会满足新加坡人独特的需求和品味。

百佳工业(马)私营有限公司是集团在马来西亚的子公司，它同时也是马来西亚主要的家庭生活用纸产品制造商之一，在多个领域名列第一。它是东南亚唯一制造彩色厨房多种用途纸巾的公司，也是马来西亚唯一生产一系列三层高级纯纸浆产品的厂家。不论是在国内还是在全球，纸产品市场都在成长。

我们将继续发展家庭生活用纸产品品牌，为收入源流提供稳固保障。

休闲和娱乐

过去几年，Pulau Springs Resort Berhad ("PSRB") 为集团贡献了可观利润。在本年度期间，集团利用机会，通过上市使自己在PSRB的投资获得了回报。

06:

Pulai Springs Berhad ("PSB"), the restructured listing vehicle for PSRB, was successfully listed on the Kuala Lumpur Stock Exchange ("KLSE") on 9 December 2002. As part of the listing requirement, the Group had offered 29,470,000 number of shares in PSB for sale to Approved Bumiputera Investors. Of these, 7,595,000 shares remained unallocated and are currently placed in a trust account, in accordance with the relevant authority's approval. The Group will dispose of the relevant shares when the opportune time arises. The Group will continue to hold 11.64% equity stake in PSB or 12,226,667 shares, which are subject to a moratorium of one year from the date of admission of PSB to the Main Board of the KLSE. Thereafter, up to a maximum of one-third of the 12,226,667 shares are allowed to be disposed of in the second, third and fourth year after the date of listing of PSB. The moratorium will expire at the end of the fourth year.

The total financial impact on the Group upon the divestment was a loss of \$6.91 million (reported in the profit and loss statement as exceptional item) and a loss of \$1.15 million arising from the marking-to-market for the shares held in trust account. Total cash proceeds received in 2002 and early 2003 amounted to \$13.19 million, which the Group will utilise to develop core businesses and create more value for shareholders.

The Group's non-performing subsidiaries and associates in China will be disposed of.

Healthcare

Turnover achieved in 2002 was \$13.76 million as activity relating to the turnkey project in Malaysia had moved into the testing and commissioning phase of the project. The project will be completed in the second quarter of 2003.

In 2002, the subsidiary in Malaysia sealed a benchmark contract to manage a local hospital in the Philippines for a term of 5 years with an option to renew for a further 5 years. This shall serve as the springboard for the Group to secure more management contracts in the future. Capitalising on its specialised knowledge and management know-how on hospital operations, the subsidiary had also developed a proprietary Hospital Information System (H I S) for managing the Philippines hospital. The subsidiary intends to market this software in other countries, such as Malaysia, Australia and the United States.

The Group is unwavering in its foresight that healthcare remains an industry which offers exponential growth in the Asian region. It is important to maintain the Group's involvement and expertise built up in this segment. The Group has identified a few directions for the development of the healthcare business that will provide the Group with more consistent and stable income. In 2003, the Group will concentrate on marketing its proprietary software (H I S), developing nursing training programmes, and soliciting consultancy projects.

It will be a busy year ahead as the Group works towards achieving its new business model for the healthcare segment.

Property

The Group holds two land parcels in Malaysia, one in Kuantan and another in Malacca. Owing to depressed market conditions, the Group made a provision on the impairment on the property located in Kuantan. As this is a non-core segment, the properties will be disposed of when a suitable offer is received.

Pulai Springs Berhad ("PSB") 是 PSRB 重组上市的组织，于 2002 年 12 月 9 日在吉隆坡股票交易所成功上市。根据其中上市条例的规定，集团提供了在 PSB 的 29,470,000 股股票出售给获得批准的 Bumiputera 投资者。在这些股票中，7,595,000 股股票尚未分配，经有关当局许可，目前存放在一个信托账户中。集团将在时机成熟时处理这些相关股票。集团将继续持有 PSB 公司 11.64% 的股份，即 12,226,667 股，这些股份，从 PSB 在马来西亚股票交易所获准上市日算起，尚受一年延期偿付期限的约束。因此，这 12,226,667 股，从 PSB 上市日算起，第二年，第三年以及第四年，每一年都准许售出不超过三分之一的股份。延期偿付期限的条款将在第四年结束。

撤资对集团的总体经济影响是亏损 691 万元（在盈亏报表中呈报为异常项目）。另有一项 115 万元的亏损是因保留在信托账户中的股票入市标价造成的。2002 年和 2003 年初收到的总现金收益是 1300 万元，集团将利用这笔资金发展核心业务，为股东创造更多价值。

集团将转卖业绩不佳的子公司和在中国的合作企业。

医药保健

2002 年达到了营业额 1378 万元，同时在马来西亚总承包工程有关的项目活动已进入测试和试运行阶段。该项目将在 2003 年第 2 季度完工。

2002 年，我们在马来西亚的子公司签署了一项基准合同以管理菲律宾的一家地方医院。合同期为 5 年，有权选择续签 5 年。该合同可为集团在未来获得更多管理合同奠定基础。该子公司还利用其在医院经营方面的专业知识和管理技术，开发了一项专有的医院信息软件系统 (H I S)，用以管理上述医院。该子公司有意在马来西亚、澳大利亚和美国等其它国家销售这一软件。

集团一直坚信自己的预见：保健业在亚洲地区仍然是一项呈指数增长的产业。保持集团在该领域的参与专业知识的积累相当重要。集团已经确定了保健业务的几个发展方向，将为集团提供更稳定的收入。2003 年，集团将注重销售其专有软件 (H I S)，开发护理培训课程，并争取提供咨询项目。随着集团努力实现其在保健领域的新业务模式，未来的一年将会是繁忙的一年。

地产

集团在马来西亚拥有两块地皮，一块位于关丹，另一块位于马六甲。鉴于市场状况不景气，集团就位于关丹的地产提供了减损预备金。由于这是非核心领域，一旦接到合适报价，这些地产将被转卖。

Hotel

The turnover from the hotel operation in Adelaide, Australia was \$15.21 million. It is commendable that the revenue had managed to remain the same as that in 2001 considering the fact that the tourism sector was affected by unprecedented challenges such as the aftermath effect from the September 11th event, Bali incident and the collapse of Ansett. The hotel sector generally saw a drop in overseas visitors, and a resultant increase in activity and fierce competition among the hotels for domestic travelers and conference business.

During the year, a spate of five-star serviced apartment "hotels" joined the foray for the Adelaide hospitality business. More entrants are expected in 2003, and it is foreseen that some 1600+ rooms would be added to the market by then. Our hotel operation is facing tremendous pressure to keep up its performance amidst competition in Adelaide and the Eastern States of Australia. For the year 2002, the Group is pleased to note that the average occupancy rate achieved is 86.6%, much higher than the average occupancy rate of hotels in Adelaide of 74.1% (according to a survey conducted by Deloitte and Touche, Australia). The average room rate achieved by the hotel was also higher than that reported by the survey.

The brilliant performance of the hotel was recognised by the numerous awards it has won. It was named the Best Deluxe Hotel by the Australian Hotels Association, Best Prestigious Restaurant by the South Australian Tourism Commission and Best Luxury Hotel by Radisson Presidents Award.

The conditions for 2003 are expected to remain challenging as all of the old and new properties fight for market share and survival. However, some relief is seen as a high proportion of existing serviced apartment stock is expected to revert to residential over the next 12-18 months. Moreover, some medium-sized hotels are being looked at as residential developments.

The hotel will spare no marketing efforts to achieve the same level of occupancy rate in 2003 so that its contribution to the Group can be sustained.

CONCLUSION

2003 will be a year of change. With our new strategic thrusts, the PSC Group will emerge leaner and meaner to take on the tough business environment. Shareholders can be assured that their investments are in good hands. But "good" is not adequate these days, it seems. We must go for "great" but before PSC can be a great company, shareholders must be solidly behind us all the way.

In closing, on behalf of the Board, I would like to acknowledge the contributions of Mr. Tan Ling San, Mr. Chong Kar Kee and Mr. Chew Tuan Gee, to the Group. I also take this opportunity to thank our staff, customers, suppliers and banks, and shareholders, for their unstinting support.

Foo Der Rong
Managing Director & CEO

酒店

在澳大利亚阿德莱德的酒店业务营业额为 1521 万元。考虑到旅游业遭遇空前困难，如 9.11 事件、巴厘岛爆炸事件及安捷航空公司垮台事件带来的影响等，该项收入能做到与 2001 年的水平相等，还是值得赞许的。总的来看，酒店业方面海外游客确有所下滑，酒店之间争夺国内游客和会议业务的活动因此增多，竞争十分激烈。

本年度期间，有大批五星级服务公寓“酒店”进军阿德莱德市场。预计 2003 年会有更多竞争者进入，预计届时市场上将会增加大约 1600 多间客房。要想在阿德莱德和澳大利亚东部各州的竞争中保持业绩，我们的酒店业务正面临巨大压力。单就 2002 年而言，我们高兴地指出：集团客房平均入住率为 86.6%，明显高于阿德莱德 74.1% 的客房平均入住率（根据 Deloitte and Touche, Australia 的调查结果）。该酒店的平均客房率也高于该调查所报告的比率。

该酒店的不俗业绩为它赢得了诸多奖项。它被澳大利亚酒店协会命名为最佳豪华酒店，被南澳大利亚旅游委员会命名为最有声望餐馆，被拉迪森总裁奖命名为最佳豪华酒店。

预计 2003 年的状况仍将充满挑战，所有新旧酒店都将会为了生存而争夺市场占有率。不过，值得庆幸的是，预计会有相当一部分的现有服务公寓在未来 12-18 个月转为住宅。而且，一些中型酒店将被考虑发展为住宅。

该酒店将不遗余力进行营销，以期在 2003 年达到同水平的住客率，从而保持对集团的贡献。

结论

2003 年是一个充满变化的年度。随着我们新的策略，普威集团将以更精简有效的方式，来应付艰难的商业环境。我们有信心地告诉各位股东他们的投资将会得到妥善的应用。不过在目前环境下，“妥善”似乎还不够。我们必须做到“非常好”。在普威成为非常好的公司之前，我希望各位股东能始终坚定地支持我们。

最后，我代表董事会，就陈能山先生、张家驹先生和周端仪先生对集团所做的贡献表示感谢。我亦借此机会向我们的员工、客户、供应商和银行以及各位股东表示感谢，感谢他们鼎力支持。

符德荣
董事经理兼总裁



Manufacturing
制造业

Fortune Food Manufacturing is set to be a leading player in the food industry in Singapore. It also achieved the highest certification of the stringent standard HACP SS-444:1998 in 2002.



MANUFACTURING

One of PSC's core activities has been the production of quality products backed by a committed team of R&D professionals, food nutritionists and packaging experts. Fortune Food Manufacturing is set to be a leading player in the food industry in Singapore. It also achieved the highest certification of the stringent standard HACP SS-444:1998 in 2002.

Over in Malaysia, Tips Industry (M) Sdn. Bhd., is one of Malaysia's leading consumer paper product manufacturers, scoring a couple of "Firsts". It is the only company to produce coloured kitchen towels in Southeast Asia and also the only manufacturer to produce interfold towels in Malaysia. Tips offers a wide range of products such as toilet rolls, facial tissues, pocket tissues, kitchen towels and napkins.

PSC's own brand of products, which are established household names, continued to enjoy wide consumer patronage. The Group's portfolio of branded products include "Sobe" soya milk drink, "Beautex" paper products, "Fortune" tofu and noodles, "Golden Circle Corn Oil", "Golden Peony Fragrant Rice", "Harmuni Fragrant Rice", "Harmuni" coconut cream, sugar and vegetable oil, "SunnyFresh" 3 in 1 detergent and "Tips" canned and preserved food.

PSC pioneered the sale of Singapore's first branded rice, "Royal Umbrella Fragrant Rice", at a time when others were selling theirs in bulk sacks. "Royal Umbrella Fragrant Rice" is today a well-known household brand which is synonymous with premium quality fragrant rice. "Royal Umbrella Fragrant Rice" has been specially developed to be extra fluffy, firm, and pleasant to taste, with only one rinse needed to clean the rice. Over the years, "Royal Umbrella Fragrant Rice" has become the obvious choice for top grade aromatic rice.

We will continue to work closely with major food ingredient and manufacturing experts from the USA, Japan, China and Europe to develop more innovative food products to meet the discerning needs and tastes of our customers.

制造业

普威联营的其中一项核心业务即在于生产高质量产品，由专业研发人员、食品营养学家以及包装专家致力开发。鸿运食品制造公司是新加坡食品业的佼佼者，在2002年荣获了HACP SS-444:1998严格标准的最高认证。

百佳工业（马）私人有限公司是马来西亚的主要消费纸类产品制造商之一，在马来西亚境内荣获了多项“第一”。该公司是东南亚唯一生产彩色厨房纸巾，同时亦是马来西亚唯一的折叠纸巾生产商。百佳工业公司的产品种类多元，包括卷筒卫生纸、化妆面纸、迷你纸巾、厨房纸巾、餐巾纸。

普威联营的自创品牌产品家喻户晓，广受消费者的喜爱。集团著名的品牌包括了“Sobe”豆奶饮料、“Beautex”纸类产品、“鸿运”豆腐及面条、“金圈”玉米油、“金牡丹”香米，“Harmuni”香米、椰子奶油、糖及蔬菜油、“阳光”三合一清洁剂、“Tips”罐头食品等。

在其他商家还在分销以大麻布袋包装的散装白米时，普威联营便已率先推出本地第一个白米品牌“皇族安培娜香米”。今天“皇族安培娜香米”已是个家喻户晓的品牌，它成了优质香米的代称。“皇族安培娜香米”是特别培种的，所以它额外松软，耐嚼及芳香。由于它特别洁净，洗米时只需清洗一次。多年来，“皇族安培娜香米”已经成为了人们选购上等香米时的必然选择。

我们将持续与美国、日本、中国、欧洲各国的主要食品原料和制造专家密切合作，开发更多创新的食物，以满足客户独特的需求与口味。



*Retailing &
Distribution*
零售和分销



We currently deliver to some 1,700 restaurants, supermarkets, retailers, hotels and wholesalers in Singapore. Having one of the biggest food distributors networks and the largest warehouse in Singapore, present opportunities for PSC to integrate our facilities and resources into a logistics hub.



RETAILING AND DISTRIBUTION

PSC has one of the largest warehouses in Singapore with a storage area of 120,000 sq ft, making it one of the biggest for fast moving consumer goods. We provide a seamless supply chain especially for the food industry. In addition, we enjoy cost savings because of our ability to manufacture and stock in high volumes.

We have also developed a very successful distribution service both for our own products as well as for international brands under exclusive agencies and distribution rights through Singapore and Malaysia.

Computerised distribution techniques together with an integrated system of warehousing and distribution, has enabled us to process an order from placement to delivery efficiently. We currently deliver to some 1,700 restaurants, supermarkets, retailers, hotels and wholesalers in Singapore. Having one of the biggest food distributor networks and the largest warehouse in Singapore, present opportunities for PSC to integrate our facilities and resources into a logistics hub.

PSC's 130 Econ Mini-marts, with a high concentration of outlets in all the housing estates, form part of an extensive retail network in Singapore. Being one of the largest retail chains in Singapore, PSC will capitalise on the geographic spread to attract more suppliers for distribution rights and agency lines for Singapore as well as Malaysia.

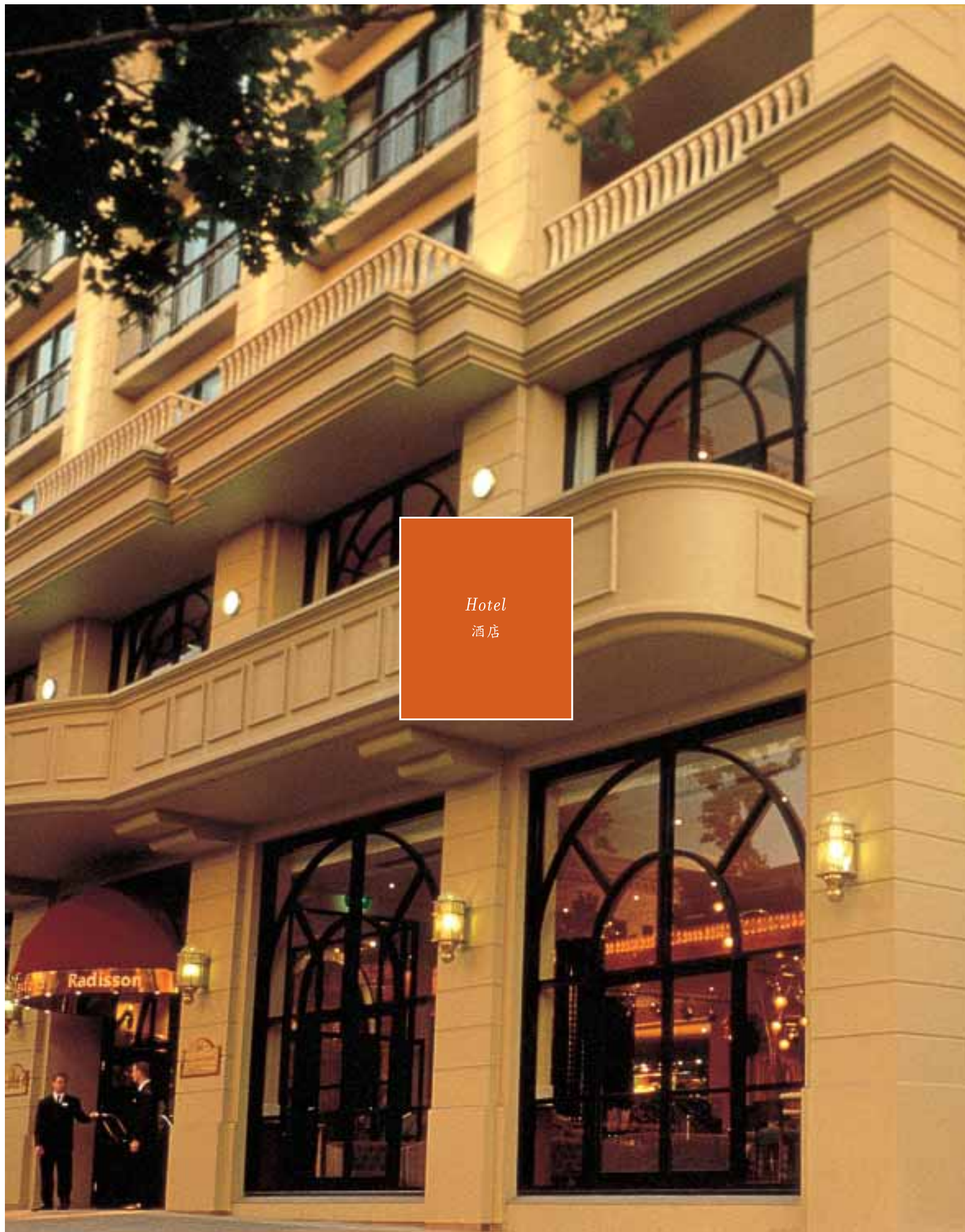
零售和分销

普威联营是其中一间拥有新加坡最大的仓储中心的集团，占地12万平方尺，是消费品最大的物流仓储之一。我们专为食品业提供了完整的连锁供应服务。此外，由于我们具备大量制造与库存的能力，因此能达到成本节约。

我们除了在自创品牌产品上拥有一个完整的分销网络，同时亦对新加坡和马来西亚由集团独家代理及分销的国际品牌提供完善的分销服务。

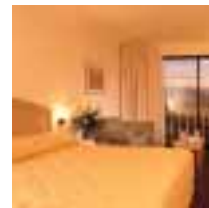
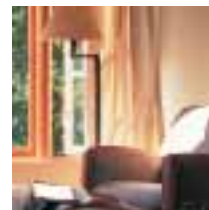
电脑化的分销技术，搭配仓储分销整合系统让我们从订单采购至交付均能有效处理。目前我们在新加坡的客户约有1700多家，包括餐厅、超级市场、零售商、酒店及批发商。普威联营作为在新加坡拥有最大的食品批发商之一以及最大的仓储中心，使得集团得以将其设施及资源整合为一，成为物流集散中心。

普威联营130家宜康自助市场，密集在所有的住宅区，因而在新加坡形成一个广大的零售网络。作为新加坡最大的零售网之一，普威联营将利用在区域分布的优势，争取成为更多厂家在新加坡和马来西亚的分销和代理商。



Hotel
酒店

This 5-star 182-room 'boutique' hotel was named the Best Deluxe Hotel by the Australian Hotels Association, Best Prestigious Restaurant by the South Australian Tourism Commission and Best Luxury Hotel by Radisson Presidents Award.



HOTEL

The Radisson Playford Hotel and Suites, Adelaide, which is our joint-venture with the Sparr Group, won many awards in 2002. This 5-star 182-room "boutique" hotel was named the Best Deluxe Hotel by the Australian Hotels Association, Best Prestigious Restaurant by the South Australian Tourism Commission and Best Luxury Hotel by Radisson Presidents Award.

This award winning hotel has been specially designed to appeal to the corporate travellers who enjoy a high quality of service. As a result, it has a pool of loyal guests, both at the local and interstate levels, to "cushion" us through the challenging conditions expected in the year ahead.

Located in the heart of the City on prestigious North Terrace, the Playford is opposite the Convention Centre, Exhibition Hall and Adelaide Casino and within proximity of major tourist sites such as the Parliament House, Festival Theatre, the Art Gallery, Museum and retail shops.

Guests have the rare opportunity to select either a luxurious superior guest room or an individually appointed studio or loft suite, with separate living and dining areas. All rooms have private bathrooms with separate shower, personal entertainment facilities, executive desk and fax modem access. In addition all suites have balconies and kitchenettes. For the travelling executive, a fully equipped business centre is available as an office, complete with professional secretarial support and all the technology you'll need to keep in touch.

酒店

位于澳洲南部阿德莱德市的 Radisson Playford Hotel & Suites 酒店是普威联营集团与 Sparr 集团的合资企业，该酒店在 2002 年赢得多项大奖，属五星级精致豪华酒店，拥有 182 间客房，曾荣获澳洲酒店协会评选为“最佳顶级酒店”以及南澳旅游委员会评为“最有名望餐厅”，并获 Radisson 会长奖颁赠的“最佳豪华酒店”荣衔。

该酒店享誉盛名，专为旅游人士提供优质的服务。因此，酒店拥有众多本地及外地的忠诚宾客，其优势将能协助我们应付未来的挑战。

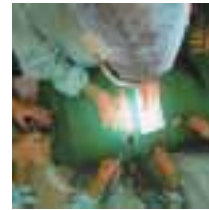
该酒店座落在极负盛名的北排区中央商业地带，位于阿德莱德会议中心、展览厅和赌场的对面。我们和许多主要观光景点如：国会议院、节庆剧院、美术馆、博物馆及各类商店仅一箭之隔。

该酒店为住客提供了许多优良的设施。无论是豪华客房、个别建设的小型公寓或阁楼套房，其客厅和餐厅都是分开设立的。所有的客房也设私人浴室，内另附设淋浴间，同时也提供私人音响器材、执行人员书桌以及传真服务。此外，所有套房都附设露台和小厨房。我们还设立了一个设备齐全的商务中心提供专业秘书服务和先进科技设备，方便出国公干的客人办公和进行联系。



Healthcare
保健

Health Solutions W.A. (Western Australia) has managed the Peel Health Campus, a 130-bed hospital south of Perth, Western Australia since 1997. This hospital currently has contracts with more than 70 medical practitioners.



HEALTHCARE

Health Solutions, PSC's healthcare segment, provides healthcare consultancy services, secures and builds hospital turnkey projects and undertakes the management of hospitals.

Health Solutions (M) Sdn. Bhd., the Malaysian subsidiary, secured a benchmark contract to manage the De Los Santos Hospital in the Philippines for a term of 5 years with an option to renew for a further 5 years. This is the first management contract for the Malaysia operations and we hope it will be the start of more of such management projects in the future. The company has also developed a proprietary Hospital Information software System (HIS) for the Philippines market.

The Malaysian subsidiary is also currently in the final stages of completing the Setiu District Hospital, a project for the Ministry of Health in Malaysia. A proprietary software, Total Hospital Information System (THIS), has also been developed for the Malaysian market.

Health Solutions W.A. (Western Australia) has managed the Peel Health Campus, a 130-bed hospital south of Perth, Western Australia since 1997. This hospital currently has contracts with more than 70 medical practitioners.

Future plans of our healthcare segment will include areas in Information Technology, Nursing Training, Consulting and entry into Vietnam and Thailand markets. Health Solutions aims to establish itself as the 'one stop' solution provider for the healthcare industry and the most comprehensive healthcare consulting company in the region.

保健

Health Solutions, 普威联营集团的保健业务部份, 提供保健咨询服务、兴建综和医院工程以及从事医院管理服务。

马来西亚的子公司 Health Solutions (M) Sdn. Bhd. 获得了一份基准合约, 为菲律宾的 De Los Santos 医院提供为期五年的管理服务, 合同期满后亦有续约五年的选择。这是该公司首次获得这类的管理合同, 希望这个美好的开始, 在未来能取得更多这类的工程。该公司亦针对菲律宾市场开发了一项专利医院信息软件系统 (HIS)。

马来西亚分公司的 Setiu 地区医院工程目前已经进入最后完工阶段。这是马来西亚卫生部的一项工程计划。同时, 该公司亦为马来西亚市场开发了一项整合医院信息系统 (THIS) 的专利软件。

Health Solutions W.A. (西澳) 负责管理 Peel Health Campus, 该医院于 1997 年设立, 位于西澳珀斯南部, 设有 130 个床位, 目前院方拥有 70 位签约医师。

Health Solutions 保健部门的未来计划包括了开发信息科技、护理培训、咨询并同时进军越南及泰国市场, Health Solutions 的最后目标是要成为保健业一站式的解决方案供应商, 并成为本地区最完善的保健咨询公司。

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1. Allan Yap, *Executive Chairman*
2. Foo Der Rong, *Managing Director & CEO*
3. Chan Yeuk Wai, *Executive Director*
4. Richard Lui Siu Tsuen, *Executive Director*
5. Chee Teck Kwong Patrick, *Director and Chairman of Audit Committee*
6. Tao Yeoh Chi, *Director and Chairman of Remuneration & Nominating Committee*
7. S Chandra Das, *Director*
8. Chua Keng Hiang, *Director*

CORPORATE DATA

BOARD OF DIRECTORS

Allan Yap <i>Executive Chairman</i>	Foo Der Rong <i>Managing Director & CEO</i>	Chan Yeuk Wai <i>Executive Director</i>	Richard Lui Siu Tsuen <i>Executive Director</i>
Chee Teck Kwong Patrick <i>Director</i>	Tao Yeoh Chi <i>Director</i>	S Chandra Das <i>Director</i>	Chua Keng Hiang <i>Director</i> Gerry Lee Kian Hup <i>Director (Alternate to S Chandra Das)</i>

COMPANY SECRETARY

Boon Chuan Bok	Robson Lee Teck Leng
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REGISTERED OFFICE	SHARE REGISTRARS	AUDITORS	BANKERS
348 Jalan Boon Lay Singapore 619529 Telephone: 6268-4822	M&C Services Private Limited 138 Robinson Road #17-00 The Corporate Office Singapore 068906	KPMG Certified Public Accountants (Partner in charge – Eng Chin Chin, since FY2001) 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581	* United Overseas Bank Limited * Development Bank of Singapore Limited * Standard Chartered Bank * The Hong Kong and Shanghai Banking Corporation Limited

CORPORATE STRUCTURE

Provisions Suppliers Corporation Limited

CONSUMER & INDUSTRIAL	LEISURE & RECREATION	HEALTHCARE	HOTEL
<ul style="list-style-type: none"> * Econ Minimart Services (Singapore) * Fortune Food Manufacturing (Singapore) * Fortune Food Marketing (Singapore) * Tipex Trading (Singapore) * Tips Trading (Singapore) * Topseller (Singapore) * Econfood Manufacturing (Malaysia) * Fresh Fruit Juices Manufacturing (Malaysia) * Socma Trading (Malaysia) * Tips Industry (Malaysia) * Longkou Luzhibei Preserved Fruit (China) * Topseller Chemical (China) 	<ul style="list-style-type: none"> * PSC Resort (Singapore) * Harbin Cartel International Club (China) 	<ul style="list-style-type: none"> * Health Solutions International (Singapore) * Health Solutions (Malaysia) * Health Solutions (Southeast Asia) * Health Solutions (Australia) * Health Solutions (Western Australia) 	<ul style="list-style-type: none"> * Playford Hotel (Australia) * Sanya Fu Dao Tourism (China) PROPERTY <ul style="list-style-type: none"> * Topseller Developments (Singapore) * Flobina (Malaysia) * Freshpoint (Malaysia) * Harbin Central Building Estate Development (China)

GROUP PERFORMANCE CHART



Note: For comparative purposes, the figures for FY2000 have been amended to comply with the new/revised Singapore Statements of Accounting Standard which the Group adopted in FY2001. No adjustment has been made for FY1998 to FY1999.

financial.

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| 35 Report of the Auditors | 36 Balance Sheets | 37 Profit and Loss Accounts | 38 Statements of Changes in Equity
| 40 Consolidated Statement of Cash Flows | 42 Notes to the Financial Statements | 74 Additional Information
| 78 Shareholding Statistics | 80 Notice of Annual General Meeting | Proxy Form

CORPORATE GOVERNANCE STATEMENT

Provisions Suppliers Corporation Limited

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The Company is committed to complying with the Code of Corporate Governance ("Code") issued by the Corporate Governance Committee in March 2001 so as to ensure greater transparency and to safeguard the interests of shareholders. This statement highlights the main corporate governance practices that were implemented during the financial year. While efforts have been taken to comply with the recommendations of the Code as prescribed by the Stock Exchange Securities Trading Limited ("SGX-ST"), the Company seeks to ensure its full compliance come next financial year.

1 BOARD OF DIRECTORS

Role of the Board

The Board of Directors currently comprises 4 Executive Directors, and 5 Non-Executive Directors. Its primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management. To fulfil this role, the Board is responsible for the overall corporate governance of the Group including setting its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Board Processes

The Board of Directors has established a few Board Committees such as the Audit Committee, Nominating Committee, and the Remuneration Committee, to assist in carrying out its responsibilities. These committees have written mandates and operating procedures, which are reviewed and monitored constantly. The minutes of the meeting of these committees are circulated among the Board.

During the year, the Board held 4 meetings to review the Group's operations, conduct strategic review of the businesses and address other specific significant matters that arose.

The agenda for meetings is prepared in consultation with the Executive Chairman and Chief Executive Officer ("CEO"). Agenda and submissions are circulated in advance of the scheduled meetings.

Directors' meeting held in FY2002

The number of meetings attended by each member of the Board during the financial year is as follows:

Name of director	Board meetings attended
Dr. Allan Yap (appointed on 10 May 2002)	2
Mr. Foo Der Rong	4
Mr. Chan Yeuk Wai (appointed on 10 May 2002)	1
Mr. Richard Lui Siu Tsuen (appointed on 10 May 2002)	2
Mr. Chee Teck Kwong, Patrick	4
Mr. Tao Yeoh Chi	4
Mr. S Chandra Das	2
Mr. Gerry Lee Kian Hup (alternate to Mr. S Chandra Das)	2
Mr. Chua Keng Hiang (appointed on 27 February 2003)	n.a.
Mr. Tan Ling San (resigned on 1 February 2003)	4
Mr. Chong Kar Kee (resigned on 31 August 2002)	2
Mr. Chew Tuan Gee (resigned on 31 August 2002)	2

1.1 MATTERS REQUIRING BOARD APPROVAL

The directors have identified a few areas for which the Board has to meet for decision-making and to approve the corporate events or actions:

- half-year and full year results announcements;
- annual report and accounts;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- corporate strategy; and
- major transactions.

1.2 TRAINING OF DIRECTORS

Our directors are provided with extensive background information about our Group's history and business operations. The Company also provides ongoing education on Board processes and best practices. Directors also have the opportunity to visit the Group's operational facilities and meet with management to gain a better understanding of the business operations.

1.3 BOARD COMPOSITION AND BALANCE

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report.

The composition of the Board is determined in accordance with the following principles:

- the Board should comprise 9 directors (This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.);
- the Board should comprise at least one-third of non-executive independent directors;
- the Board should have enough directors to serve on various committees of the Board without over-burdening the directors or making it difficult for them to fully discharge their responsibilities;
- the Board should comprise directors with a broad range of expertise both nationally and internationally; and
- directors appointed by the Board are subject to election by shareholders at the following Annual General Meeting ("AGM") and thereafter, directors are subject to re-election according to the provision in the Articles of Association. The article states that one-third of the directors shall retire from office by rotation with the exception of the director holding office as Managing Director.

The Board regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what it considers an appropriate size for itself. The composition of the Board is reviewed on an annual basis by a Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills and knowledge, the Committee, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. The Committee then selects candidates with the appropriate expertise and experience. Potential candidates are identified by the Committee and the Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

CORPORATE GOVERNANCE STATEMENT

Provisions Suppliers Corporation Limited

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1.3 BOARD COMPOSITION AND BALANCE (CONT'D)

As at the date of this report, the Board comprises 9 (including an alternate director) suitably qualified members:

Name of director/ Nature of appointment	Date of appointment/ Date of last re-election	Functions	Directorships in other listed companies	Academic and professional qualifications
Dr. Allan Yap (Executive)	10 May 2002	Executive Chairman	Managing Director of Hanny Holdings Limited Executive Director of ITC Corporation Limited and Ananda Wing On Travel (Holdings) Limited Vice Chairman and Director of China Strategic Holdings Limited and China Enterprise Limited	Honorary Doctor of Laws from University of Victoria
Mr. Foo Der Rong (Executive)	1 August 1990/ 11 May 2002	Managing Director & Chief Executive Officer	-	Bachelor of Commerce from Nanyang University of Singapore
Mr. Chan Yeuk Wai (Executive)	10 May 2002	Director	Chairman of Ananda Wing On Travel (Holdings) Limited	-
Mr. Richard Lui Siu Tsuen (Executive)	10 May 2002	Director	Deputy Managing Director of Hanny Holdings Limited	Member of The Chartered Institute of Management Accountants Master of Business Administration from The University of Adelaide
Mr. Chee Teck Kwong, Patrick (Non-Executive/ Independent)	1 August 1990/ 16 May 2001	Director, Chairman of Audit Committee, Member of Nominating and Remuneration Committee	Chairman of CSC Holdings Limited	Bachelor of Law (Honours) from University of Singapore
Mr. Tao Yeoh Chi (Non-Executive/ Independent)	13 November 1997/ 16 May 2000	Director, Chairman of Nominating and Remuneration Committee, Member of Audit Committee	-	Bachelor of Arts (Economics) from University of Newcastle Bachelor of Engineering (Mechanical) (Honours) from University of Newcastle
Mr. S Chandra Das (Non-Executive)	29 June 1999/ 11 May 2002	Director, Member of Nominating and Remuneration Committee	Chairman of Nera Telecommunications Limited, and Nera Electronics Limited Director of The Ascott Group Limited, Capital Mall Trust Management Limited and Yeo Hiap Seng Limited	Bachelor of Arts (Economics) (Honours) from University of Singapore
Mr. Chua Keng Hiang (Non-Executive/ Independent)	27 February 2003	Director, Member of Audit Committee	Director of Jadason Enterprise Limited, First Engineering Limited, Tat Seng Packaging Group Limited, and Ocean Sky International Limited	Member of Chartered Association of Certified Public Accountants, UK Bachelor of Accountancy (Honours) from University of Singapore
Mr. Gerry Lee Kian Hup (Alternate Director to Mr. S Chandra Das)	29 June 1999/ 11 May 2002	Alternate Director	Chairman of Interstates Market Pte Ltd Director of Cheers Holdings Pte Ltd, FairPrice Homemart Pte Ltd, FairVision Pte Ltd and Groceries Logistics of Singapore	Bachelor of Business from RMIT University

Particulars of interests of directors who held office at the end of the financial year in shares in the Company and in related corporations are set out in the Directors' Report.

1.4 INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors has 3 independent members, representing more than one-third of the Board: Mr. Chee Teck Kwong, Patrick, Mr. Tao Yeoh Chi, and Mr. Chua Keng Hiang. The criteria for independence is based on the definition given in the Code issued by the Corporate Governance Committee. The Board considers an 'independent' director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement.

1.5 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a distinctive separation of responsibilities between the Executive Chairman and the CEO, which ensures there is a balance of power and authority at the top of the Company. The Company maintains the positions of Executive Chairman and CEO separate and these posts are held by Dr. Allan Yap and Mr. Foo Der Rong, respectively.

The Board has delegated the daily operations of the Group to the CEO. The Executive Chairman is primarily responsible for the effective working of the Board and exercises control over the quality, quantity and timeliness of information flow between the management and the Board.

1.6 BOARD MEMBERSHIP

The Nominating Committee ("NC") comprises 3 members, Mr. Tao Yeoh Chi (Chairman, and Independent Director), Mr. Chee Teck Kwong, Patrick (Independent Director) and Mr. S Chandra Das. The NC's functions are to develop and maintain a transparent and formal process for the appointment of new directors, the recommendation of directors who are due for retirement by rotation to seek re-election at general meeting, and the determination of status of independence of each director and the Board as a whole.

The role of the NC is to oversee the appointment and induction process for directors. Candidates are selected for their character, judgement, business experience and acumen, technical expertise, and familiarity with national and international issues affecting business. Where a director has multiple board representations, the NC will evaluate whether or not a director is able to and has been adequately carrying out his duties as director of the Company.

In appointing director, the Board considers the range of skills and experience required in the light of:

- geographical spread and diversity of the Group's businesses;
- the strategic direction and progress of the Group;
- the current composition of the Board; and
- the need for independence.

The Board has decided that, at each AGM, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring director is eligible for re-election by the shareholders of the Company at the AGM, and prior to nominating a retiring director for re-election, the NC will evaluate the directors' contribution and performance taking into consideration factors such as attendance, preparedness, participation and candour.

Meetings and attendance during the year:

Name of director	Appointment	Number of meetings attended
Mr. Tao Yeoh Chi (Chairman)	Non-Executive/ Independent	1
Mr. Chee Teck Kwong, Patrick	Non-Executive/ Independent	1
Mr. S Chandra Das	Non-Executive	1

1.7 BOARD PERFORMANCES

We believe that Board performance is ultimately reflected in the performance of the Group and the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Group and the shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities of setting strategic directions and ensuring that the Group is ably led. The Board, through the delegation of its authority to the NC, will review its Board's composition annually to ensure that the Board has the appropriate mix of expertise and experience to lead the Group.

The NC, in considering the re-appointment of any director, evaluates the performance of the director. The assessment parameters includes attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The financial indicators set out in the Code as guides for the evaluation of directors are in our opinion more of a measure of management's performance and hence, less applicable to directors. Moreover, the financial indicators provide snapshots of the Group's performance and do not reflect a complete measure of long-term creation of shareholders' wealth.

1.8 ACCESS TO INFORMATION

Directors receive a regular supply of information from management about the Group so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each meeting of the Board and are normally circulated a week in advance of each meeting. The Board papers provided include background or explanatory information relating to matters to be brought before the Board.

All directors have separate and independent access to the advice and services of the company secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Each director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as directors.

2 REMUNERATION MATTERS

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate directors and key management executives. The Remuneration Committee ("RC") is responsible for recommending to the Board, a framework of remuneration for the Board and key executives.

The RC comprises 3 members, Mr. Tao Yeoh Chi (Chairman, and Independent Director), Mr. Chee Teck Kwong, Patrick (Independent Director) and Mr. S Chandra Das. The RC reviews and approves recommendations on remuneration policies and packages for directors and senior management in the interests of improved corporate performance. The review of remuneration packages takes into consideration the long-term interests of the Group and ensures that the interests of the directors and senior management align with that of the shareholders. The review covers all aspects of remuneration, including but not limited to directors' salaries, fees, allowances, bonuses, options, profit sharing, and benefits-in-kind. The committee's recommendations are made in consultation with the Executive Chairman of the Board and submitted for endorsement by the entire Board.

The remuneration packages of the CEO and the Executive Directors are determined based on the framework recommended by the RC, in consultation with the Executive Chairman of the Board, and are submitted for endorsement by the entire Board. Remuneration for Non-Executive Directors are determined by the CEO together with the other Executive Directors, based on the effort, time spent and responsibilities of each Non-Executive Director. The remuneration packages of Non-Executive Directors are also submitted for endorsement by the RC and the entire Board.

CORPORATE GOVERNANCE STATEMENT

Provisions Suppliers Corporation Limited

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2 REMUNERATION MATTERS (CONT'D)

Meetings and attendance during the year:

Name of director	Appointment	Number of meetings attended
Mr. Tao Yeoh Chi (Chairman)	Non-Executive/ Independent	1
Mr. Chee Teck Kwong, Patrick	Non-Executive/ Independent	1
Mr. S Chandra Das	Non-Executive	1

Summary compensation table of Company's directors receiving remuneration from the Group for the financial year ended 31 December 2002:

Remuneration band and name of director	Salary %	Bonus %	Directors' fee %	Allowances and other benefits* %	Ex-Gratia %	Total %
Range S\$250,000 and below						
Dr. Allan Yap	63	11	26	0	0	100
Mr. Chan Yeuk Wai	59	10	24	7	0	100
Mr. Richard Lui Siu Tsuen	63	11	26	0	0	100
Mr. Chee Teck Kwong, Patrick	0	0	100	0	0	100
Mr. Tao Yeoh Chi	0	0	100	0	0	100
Mr. S Chandra Das	0	0	100	0	0	100
Range S\$250,001 – S\$500,000						
Mr. Foo Der Rong	68	12	11	9	0	100
Range S\$500,001 – S\$750,000						
Mr. Tan Ling San	73	12	9	6	0	100
Mr. Chong Kar Kee	40	10	2	3	45	100
Mr. Chew Tuan Gee	41	10	3	4	42	100

* Employer's CPF contribution is included here.

2.1 REMUNERATION OF EMPLOYEES RELATED TO DIRECTORS

As at 31 December 2002, we have an employee who is related to the CEO. He is also the Executive Director of a subsidiary in Malaysia. The basis of determining the remuneration of this related employee is the same as the basis of determining the remuneration of other unrelated employees.

Summary compensation table of the executive who is related to the CEO for the financial year ended 31 December 2002:

Remuneration band	Salary %	Bonus %	Directors' fee %	Allowances and other benefits* %	Ex-Gratia %	Total %
Range S\$250,001 – S\$500,000	68	11	2	19	0	100

* Employer's CPF contribution is included here.

3 ACCOUNTABILITY AND AUDIT

In presenting the annual financial statements and quarterly announcements to shareholders, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects.

3.1 AUDIT COMMITTEE

During 2002, the Audit Committee ("AC") had a majority of Non-Executive Independent Directors comprising Mr. Chee Teck Kwong, Patrick (Chairman, and Independent Director), Mr. Tao Yeoh Chi (Independent Director) and Mr. Tan Ling San (former Executive Chairman who resigned on 1 February 2003).

The AC, which is chaired by Mr. Chee Teck Kwong, Patrick, a Non-Executive Independent Director, meets from time to time with the Group's external and internal auditors and the executive management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group.

The AC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the AC advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its interim and annual reports.

Specifically, the AC meets periodically to perform the following functions:

- (a) reviewing the audit plans of our external and internal auditors;
- (b) reviewing the external and internal auditors' reports;
- (c) reviewing the co-operation given by our officers to the external and internal auditors;
- (d) reviewing the adequacy of the internal audit function;
- (e) evaluating the effectiveness of our Group's system of internal controls, including financial, operational and compliance controls, and risk management, by reviewing written reports from internal and external auditors, and management responses and actions to correct any deficiencies;
- (f) reviewing the financial statements of our Company and our Group before their submission to the Board of Directors;
- (g) nominating external auditors for appointment or re-appointment;
- (h) reviewing non-audit services provided by the external auditors to satisfy that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;
- (i) reviewing our Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time; and
- (j) reviewing interested person transactions (as defined in Chapter 9 of the Listing Manual) to ensure that they are on normal commercial terms and arms' length basis and not prejudicial to the interests of the Company or our shareholders in any way.

Apart from the duties listed above, our AC shall commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on our Company's or our Group's operating results and/or financial position.

The AC is also authorised to investigate any matter within its terms of reference and has full access to and co-operation of management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC meets annually with the internal auditors and the external auditors, without the presence of the Company's management. This is to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the internal and external auditors.

CORPORATE GOVERNANCE STATEMENT

Provisions Suppliers Corporation Limited

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3.1 AUDIT COMMITTEE (CONT'D)

Meetings and attendance during the year:

Name of director	Appointment	Number of meetings attended
Mr. Chee Teck Kwong, Patrick (Chairman)	Non-Executive/ Independent	3
Mr. Tao Yeoh Chi	Non-Executive/ Independent	3
Mr. Tan Ling San (resigned on 1 February 2003)	Executive	3

Mr. Chua Keng Hiang, a Non-Executive Independent Director has been appointed to the Board and to the AC after Mr. Tan Ling San resigned on 1 February 2003.

3.2 INTERNAL CONTROLS

The Board of Directors recognises that it is responsible for the overall internal control framework, but accepts that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The AC will:

- satisfy itself that adequate measures are in place to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating and compliance controls and risk management, is conducted at least annually. Such review can be carried out by internal auditors/external auditors;
- ensure that the internal control recommendations made by internal and external auditors have been implemented by the management; and
- ensure the Board is in a position to comment on the adequacy of the internal controls of the Group.

3.3 INTERNAL AUDIT

The Group has an in-house internal audit function that is independent of the activities it audits. The aim of the internal audit function is to promote internal control in the Group and to monitor the performance and effective application of internal audit procedures. It supports the directors in assessing key internal controls through a structured review programme. The internal audit function is expected to meet or exceed the standard set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal audit function reports primarily to the Chairman of the AC. The AC ensures that the internal audit function has adequate resources and has appropriate standing within the Group. The Committee, on an annual basis, assesses the effectiveness of the internal auditors by examining:

- the scope of the internal auditors' work;
- the quality of their reports;
- their relationship with the external auditors; and
- their independence of the areas reviewed.

4 COMMUNICATION WITH OUR SHAREHOLDERS

The Company firmly believes in high standards of transparent corporate disclosure, pursuant to the SGX-ST's Listing Rules and the Singapore Companies Act, whereby shareholders are informed of all major developments that affect the Group. Information is communicated to our shareholders on a timely basis. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is made through:

- annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Statements of Accounting Standard;
- interim announcements containing a summary of the financial information and affairs of the Group for that period;
- notices of and explanatory memoranda for AGMs and Extraordinary General Meetings;
- press releases for the Group's interim and annual results;
- press releases on major developments of the Company and the Group;
- disclosure to the SGX-ST; and
- the Company's website at <http://www.psc.com.sg> at which our shareholders can access information on the Group.

Moreover, our shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be updated of the Company's strategies and goals. The notice of the AGM is sent to our shareholders, together with explanatory notes, appendixes or a circular on items of special business, at least 14 days before the meeting. The Chairmen of the AC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the external auditors are present to assist our Board of Directors in addressing any relevant queries by our shareholders.

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

5 DEALINGS IN SECURITIES

Following the introduction of the Best Practices Guide by the SGX-ST, the Company has issued a policy on the restrictions of Share Dealing to key employees and to employees of the Group and the Company who may be in possession of sensitive information. In accordance with the Best Practices guidelines, the Company notifies the affected persons that they are prohibited from trading in the Company's shares one month prior to the announcement of the Company's quarterly and full year results. In addition, they are required to observe the insider trading laws under the Securities and Futures Act at all times even when dealing in the Company's shares within the permitted periods.

DIRECTORS' REPORT

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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We are pleased to submit this annual report to the members of the Company together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

DIRECTORS

The directors in office at the date of this report are as follows:

Allan Yap	(appointed on 10 May 2002)
Foo Der Rong	
Chan Yeuk Wai	(appointed on 10 May 2002)
Richard Lui Siu Tsuen	(appointed on 10 May 2002)
Chee Teck Kwong, Patrick	
Tao Yeoh Chi	
S Chandra Das	
Chua Keng Hiang	(appointed on 27 February 2003)
Gerry Lee Kian Hup	(Alternate director to S Chandra Das)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year have been those relating to the supply of provisions and household consumer products. The Company also provides management services to the Econ Minimart chain of stores. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

There have been no significant changes in the activities of the Group or of the Company during the financial year.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The following acquisitions and disposals of subsidiaries were made during the financial year:

NAME OF SUBSIDIARY	EFFECTIVE EQUITY INTEREST ACQUIRED/ DISPOSED OF %	GROUP'S SHARE OF NET TANGIBLE ASSETS/(LIABILITIES) ACQUIRED/ DISPOSED OF \$	CONSIDERATION \$
ACQUISITION:			
Incorporated by PSC Resort Pte Ltd			
- Palm Meadows Sdn. Bhd.	100	1	1
DISPOSALS:			
Liquidated by the Company:			
- A & P Marketing Pte Ltd	100	(1,072)	-
Liquidated by PSC Investment Pte Ltd:			
- Fortune Bright Investment Pte Ltd	51	9,539	-
Liquidated by Tipex Trading Pte Ltd:			
- Tipex Investment Pte Ltd	74	(15,770)	-
Liquidated by Fortune Bright Investment Pte Ltd:			
- Fortune Bakery Singapore Pte Ltd	51	(8,366)	-

There were no acquisitions or disposals of any other subsidiaries during the financial year.

DIRECTORS' REPORT

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:

	GROUP \$	COMPANY \$
(Loss)/ profit after taxation	(3,498,454)	1,293,580
Minority interests	(220,153)	-
(Loss)/ profit attributed to members of the Company	(3,718,607)	1,293,580
Accumulated profits brought forward	44,569,439	16,270,375
Profits available for appropriation	40,850,832	17,563,955
Appropriations:		
Final dividend paid of 0.25 cents per share less tax at 22% in respect of year 2001	(2,171,402)	(2,171,402)
Accumulated profits carried forward	\$38,679,430	\$15,392,553

TRANSFERS TO AND FROM RESERVES AND PROVISIONS

The following material transfers to and from reserves were made during the financial year:

	GROUP \$
Currency Translation Reserve:	
Realised exchange loss on disposal of investment in an associate	2,235,970
Exchange differences on translation of financial statements of foreign subsidiaries and associates	369,299
	\$ 2,605,269

Material movements in provisions are as set out in the accompanying notes to the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company and its subsidiaries did not issue any shares or debentures.

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year in shares in the Company are as follows:

	HOLDINGS IN THE NAME OF THE DIRECTOR, SPOUSE OR INFANT CHILDREN	
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR
SHARES OF \$0.05 EACH FULLY PAID		
Tan Ling San (resigned on 1 February 2003)	7,375,875	7,375,875
Foo Der Rong	1,419,500	2,087,500

DIRECTORS' REPORT

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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DIRECTORS' INTERESTS (CONT'D)

	OTHER HOLDINGS IN WHICH THE DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT BEGINNING OF THE YEAR	AT END OF THE YEAR
SHARES OF \$0.05 EACH FULLY PAID		
S Chandra Das	637,500	637,500

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company, in respect of directors holding office at the end of the financial year, between the end of the financial year and 21 January 2003.

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIVIDENDS

Since the end of the last financial year, the Company has paid a net final dividend of \$2,171,402 in respect of the previous year as proposed in the directors' report of that year. No interim dividend has been paid during the year and the directors now recommend the payment of a net final dividend and a net special dividend of \$2,171,402 and \$1,302,841, respectively, in respect of the financial year under review.

BAD AND DOUBTFUL DEBTS

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report which would render the values attributable to current assets in the Group misleading.

DIRECTORS' REPORT

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year:

- (i) no charge on the assets of the Group, or of the Company, has arisen which secures the liabilities of any other person; and
- (ii) no contingent liability of the Group or of the Company has arisen.

ABILITY TO MEET OBLIGATIONS

No contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render misleading any amount stated in the financial statements of the Group or of the Company.

UNUSUAL ITEMS

In the opinion of the directors, except for the loss on disposal of the investment in the former associate, Pulai Springs Resort Berhad, of \$6,909,590, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group, or of the Company, during the financial year.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SHARE OPTIONS

During the financial year, there were:

- (a) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT COMMITTEE

The members of the Audit Committee at the date of this report are:

- Chee Teck Kwong, Patrick (Chairman), Non-Executive Independent Director
- Tao Yeoh Chi, Non-Executive Independent Director
- Chua Keng Hiang, Non-Executive Independent Director (appointed on 27 February 2003)

The Audit Committee performs the functions specified in section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange.

In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' REPORT

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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AUDIT COMMITTEE (CONT'D)

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Allan Yap
Director

Foo Der Rong
Director

Singapore
17 April 2003

STATEMENT BY DIRECTORS

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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We, being directors of the Company, do hereby state that in our opinion:

- (a) the financial statements set out on pages 36 to 73 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2002 and of the results of the business and the changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Allan Yap
Director

Foo Der Rong
Director

Singapore
17 April 2003

REPORT OF THE AUDITORS TO THE MEMBERS OF PROVISIONS SUPPLIERS CORPORATION LIMITED

Provision Suppliers Corporation Limited

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We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 December 2002 as set out on pages 36 to 73. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2002 and of the results and changes in equity of the Group and of the Company and of the cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are stated in Note 4 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of the subsidiaries incorporated in Singapore, did not include any comment made under Section 207(3) of the Act.

KPMG
Certified Public Accountants

Singapore
17 April 2003

BALANCE SHEETS

as at 31 December 2002

Provision Suppliers Corporation Limited

36:

		GROUP		COMPANY	
	NOTE	2002	2001	2002	2001
		\$	\$	\$	\$
NON-CURRENT ASSETS					
Property, plant and equipment	3	57,691,506	59,863,113	9,734,920	9,478,973
Interests in subsidiaries	4	-	-	23,204,181	23,205,184
Investments in associates	5	11,963,593	44,758,795	-	-
Other financial assets	6	11,556,414	12,994,620	2,994,620	12,994,620
Trademarks	7	-	-	-	-
Deferred tax assets	8	645,000	-	-	-
		81,856,513	117,616,528	35,933,721	45,678,777
CURRENT ASSETS					
Other financial assets	6	8,998,526	190,084	4,830,694	190,084
Non-financial assets	9	418,948	418,948	90,000	90,000
Property held for development	10	629,409	-	-	-
Inventories	11	17,205,357	16,911,800	11,719,514	10,457,417
Trade and other receivables	13	41,358,340	38,743,136	41,459,678	57,372,143
Cash and cash equivalents	18	48,614,197	22,491,262	28,666,558	17,325,079
		117,224,777	78,755,230	86,766,444	85,434,723
Less:					
CURRENT LIABILITIES					
Bank overdrafts	18	1,143,400	2,010,401	-	89,812
Trade and other payables	19	32,476,140	29,738,497	19,560,641	26,536,759
Interest-bearing borrowings	20	10,656,715	27,765,064	94,883	328,152
Current tax payable		2,965,738	3,395,531	2,007,976	2,043,857
		47,241,993	62,909,493	21,663,500	28,998,580
NET CURRENT ASSETS		69,982,784	15,845,737	65,102,944	56,436,143
Less:					
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	20	22,213,906	559,255	-	31,633
Deferred tax liabilities	8	154,570	389,750	-	168,800
		22,368,476	949,005	-	200,433
		129,470,821	132,513,260	101,036,665	101,914,487
MINORITY INTERESTS		(3,452,773)	(3,210,472)	-	-
NET ASSETS		\$126,018,048	\$129,302,788	\$101,036,665	\$101,914,487
SHARE CAPITAL	21	55,676,994	55,676,994	55,676,994	55,676,994
RESERVES	22	70,341,054	73,625,794	45,359,671	46,237,493
		\$126,018,048	\$129,302,788	\$101,036,665	\$101,914,487

The accompanying notes form an integral part of these financial statements.

PROFIT AND LOSS ACCOUNTS

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

37:

	NOTE	GROUP		COMPANY	
		2002 \$	2001 \$	2002 \$	2001 \$
REVENUE	23	155,129,625	161,577,072	70,905,012	86,421,190
Other operating income		4,424,679	3,458,354	12,648,423	10,897,430
		159,554,304	165,035,426	83,553,435	97,318,620
Less:					
Changes in inventories of finished goods and contract work-in-progress		(172,521)	1,058,937	(1,374,097)	688,682
Raw materials and consumables		99,031,283	109,841,118	67,670,275	80,029,101
Project development cost		12,918,936	4,689,733	-	-
Staff costs		18,424,170	17,685,116	5,828,863	5,786,451
Advertisement		3,870,833	6,335,130	2,133,383	3,308,520
Depreciation of property, plant and equipment	3	3,705,348	4,020,040	816,774	816,259
Impairment loss on property, plant and equipment	3	685,950	487,200	-	-
Impairment loss on investment in an associate	5	680,000	-	-	-
Decrease in carrying amount of quoted equity securities stated at market value		1,512,610	46,000	362,000	46,000
Amortisation of trademark	8	-	25,321	-	-
Allowance made for doubtful receivables from:					
- subsidiaries (non-trade), net	16	-	-	2,280,000	-
- associates (non-trade)	17	100,000	-	-	-
Other operating expenses		13,535,378	12,678,503	3,279,128	3,468,220
Total operating expenses		154,291,987	156,867,098	80,996,326	94,143,233
PROFIT FROM OPERATIONS	24	5,262,317	8,168,328	2,557,109	3,175,387
Finance costs	25	(2,351,486)	(2,229,157)	(8,103)	(8,135)
Loss on disposal of investment in an associate		(6,909,590)	-	-	-
Share of profit of associates		2,445,805	3,729,911	-	-
(LOSS)/ PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		(1,552,954)	9,669,082	2,549,006	3,167,252
Income tax expense	26	(1,945,500)	(3,218,561)	(1,255,426)	(824,200)
(LOSS)/ PROFIT FROM ORDINARY ACTIVITIES AFTER TAXATION		(3,498,454)	6,450,521	1,293,580	2,343,052
Minority interests		(220,153)	(181,852)	-	-
NET (LOSS)/ PROFIT FOR THE YEAR		\$(3,718,607)	\$ 6,268,669	\$ 1,293,580	\$ 2,343,052
BASIC (LOSS)/ EARNINGS PER SHARE	27	(0.33 cents)	0.56 cents		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

38:

GROUP	SHARE CAPITAL \$	SHARE PREMIUM \$	OTHER CAPITAL RESERVES \$	CURRENCY TRANSLATION RESERVE \$	ACCUMULATED PROFITS \$	TOTAL \$
At 1 January 2001	56,287,944	29,706,655	124,106	(7,151,285)	43,196,114	122,163,534
Exchange differences on translation of financial statements of						
- subsidiaries	-	-	-	940,149	-	940,149
- associates	-	-	-	2,825,780	-	2,825,780
Net gains recognised directly in equity	-	-	-	3,765,929	-	3,765,929
Net profit for the year	-	-	-	-	6,268,669	6,268,669
Shares in the Company repurchased and cancelled	(610,950)	-	610,950	-	(1,195,448)	(1,195,448)
Issue of bonus shares by a subsidiary	-	-	2,000,000	-	(2,000,000)	-
Final dividend paid of 0.20 cents per share less tax at 24.5% in respect of 2000	-	-	-	-	(1,699,896)	(1,699,896)
At 31 December 2001	55,676,994	29,706,655	2,735,056	(3,385,356)	44,569,439	129,302,788
Realised exchange loss on disposal of investment in an associate	-	-	-	2,235,970	-	2,235,970
Exchange differences on translation of financial statements of						
- subsidiaries	-	-	-	(403,024)	-	(403,024)
- associates	-	-	-	772,323	-	772,323
Net gains recognised directly in equity	-	-	-	2,605,269	-	2,605,269
Net loss for the year	-	-	-	-	(3,718,607)	(3,718,607)
Final dividend paid of 0.25 cents per share less tax at 22% in respect of 2001	-	-	-	-	(2,171,402)	(2,171,402)
At 31 December 2002	\$55,676,994	\$29,706,655	\$2,735,056	\$ (780,087)	\$38,679,430	\$126,018,048

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

39:

COMPANY	SHARE CAPITAL \$	SHARE PREMIUM \$	OTHER CAPITAL RESERVES \$	ACCUMULATED PROFIT \$	TOTAL \$
At 1 January 2001	56,287,944	29,356,168	-	16,822,667	102,466,779
Net profit for the year	-	-	-	2,343,052	2,343,052
Shares in the Company repurchased and cancelled	(610,950)	-	610,950	(1,195,448)	(1,195,448)
Final dividend paid of 0.20 cents per share less tax at 24.5% in respect of year 2000	-	-	-	(1,699,896)	(1,699,896)
At 31 December 2001	55,676,994	29,356,168	610,950	16,270,375	101,914,487
Net profit for the year	-	-	-	1,293,580	1,293,580
Final dividend paid of 0.25 cents per share less tax at 22% in respect of year 2001	-	-	-	(2,171,402)	(2,171,402)
At 31 December 2002	\$55,676,994	\$29,356,168	\$ 610,950	\$15,392,553	\$101,036,665

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

40:

	GROUP	
	2002	2001
	\$	\$
OPERATING ACTIVITIES		
(Loss)/ profit from ordinary activities before taxation	(1,552,954)	9,669,082
Adjustments for:		
Depreciation of property, plant and equipment	3,705,348	4,020,040
Share of profit of associates	(2,445,805)	(3,729,911)
Amortisation of trademarks	-	25,321
Gain on disposal of property, plant and equipment	(122,292)	(70,222)
Gain on disposal of quoted securities	(11,000)	-
Gain on dilution of interest in a subsidiary	(4,282)	-
Loss on disposal of investment in an associate	6,909,590	-
Property, plant and equipment written off	12,054	613
Inventories written off	44,605	72,430
Impairment loss on property, plant and equipment	685,950	487,200
Impairment loss on investment in an associate	680,000	-
Decrease in carrying amount of quoted equity securities stated at market value	1,512,610	46,000
Interest expense	2,351,486	2,229,157
Interest income	(961,808)	(1,012,022)
Dividend income	(5,381)	(6,553)
Operating profit before working capital changes	10,798,121	11,731,135
Changes in working capital:		
Inventories	(517,687)	1,588,228
Trade and other receivables	1,331,217	12,255,179
Trade and other payables	4,464,019	(4,043,784)
Cash generated from operations	16,075,670	21,530,758
Interest paid	(2,351,486)	(2,229,157)
Interest received	983,511	910,993
Income tax paid	(3,244,731)	(2,407,144)
CASH FLOWS FROM OPERATING ACTIVITIES	11,462,964	17,805,450
INVESTING ACTIVITIES		
Purchase of quoted securities	(5,002,610)	(9,000,450)
Proceeds from disposal of quoted securities	10,011,000	-
Cash proceeds from divestment of investment in an associate	10,536,376	-
Dividend income received	5,381	6,553
Purchase of property, plant and equipment	(2,043,377)	(1,773,486)
Proceeds from disposal of property, plant and equipment	321,514	616,484
Proceeds from disposal of investment in an associate	5	-
Shares repurchased and cancelled	-	(1,195,448)
Contribution to share capital of an associate	(343)	(120,000)
CASH FLOWS FROM INVESTING ACTIVITIES	13,827,946	(11,466,347)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

41:

	Note	GROUP	
		2002 \$	2001 \$
FINANCING ACTIVITIES			
Finance lease payables		(220,681)	(227,272)
Trust receipts		(517,166)	344,948
Proceeds from bank loans		5,105,242	141,024
Repayment of bank loans		(516,878)	(1,547,563)
Dividend paid		(2,171,402)	(1,699,896)
CASH FLOWS FROM FINANCING ACTIVITIES		1,679,115	(2,988,759)
NET INCREASE IN CASH AND CASH EQUIVALENTS		26,970,025	3,350,344
Cash and cash equivalents at beginning of the year		20,480,861	17,168,379
Effect of exchange rate changes on balances held in foreign currencies		19,911	(37,862)
Cash and cash equivalents at end of the year	18	<u>\$47,470,797</u>	<u>\$20,480,861</u>

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$2,115,402 (2001: \$2,021,075), of which \$72,025 (2001: \$247,589) was acquired by means of finance leases. Cash payments of \$2,043,377 (2001: \$1,773,486) were made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

42:

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 17 April 2003.

1. DOMICILE AND ACTIVITIES

Provisions Suppliers Corporation Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 348 Jalan Boon Lay, Singapore 619529.

The principal activities of the Company are those relating to the supply of provisions and household consumer products. The Company also provides management services to the Econ Minimart chain of stores. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's investments in associates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Statements of Accounting Standard ("SAS"), including related Interpretations promulgated by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Singapore Companies Act, Chapter 50.

The historical cost basis is used except that certain property, plant and equipment are stated at valuation and certain investments in securities are stated at fair value. Amounts are expressed in Singapore dollars, unless stated otherwise.

(b) Consolidation

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements.

Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are stated in the Company's balance sheet at cost, less impairment losses. In the Group's financial statements, they are accounted for by using the equity method of accounting.

When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is fully written down and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(c) Foreign currencies

Foreign currency transactions

Monetary assets and liabilities in foreign currencies, except for foreign currency assets and liabilities hedged by foreign exchange contracts, are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the balance sheet date. Foreign currency assets and liabilities hedged by forward exchange contracts are translated into Singapore dollars at the contracted forward exchange rates. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account except:

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

43:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currencies (cont'd)

- Where foreign currency loans provide an effective hedge against the net investment in foreign subsidiaries and associates, exchange differences arising on the loans are recognised directly in equity until disposal of the investments.
- Where monetary items in substance form part of the Group's net investment in the foreign subsidiaries and associates, exchange differences arising on such monetary items are recognised directly in equity until disposal of the investments.

Foreign operations

The assets and liabilities of foreign operations are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of foreign operations are translated at the average exchange rates for the year. Exchange differences arising on translation are recognised directly in equity. Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for a leasehold building which is stated at its revalued amount. The revalued amount is the fair value determined on the basis of existing use at the date of revaluation less any subsequent accumulated depreciation. The Group does not have any formal policy with regards to the frequency for the revaluation of property, plant and equipment.

Any increase in revaluation is credited to revaluation reserve unless it offsets a previous decrease in value recognised in the profit and loss account. A decrease in value is recognised in the profit and loss account where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation surplus is transferred from the revaluation reserve to accumulated profits and is not taken into account in arriving at the gain or loss on disposal.

Property, plant and equipment acquired through finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the profit and loss account. Capitalised leased assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

No depreciation is provided on freehold land. Leasehold buildings are depreciated on the straight-line basis over the respective remaining periods of the leases from the dates of acquisition which range between 16 years and 38 years. Leasehold improvements are depreciated on the straight-line basis over the remaining lease periods. Other property, plant and equipment are depreciated on the straight-line basis to write off their costs over their estimated useful lives as follows:

Freehold buildings	- 50 years
Renovations	- 3 to 10 years
Furniture, fittings and office equipment	- 6 to 10 years
Warehouse equipment	- 6 to 10 years
Motor vehicles	- 4 to 10 years
Plant and machinery	- 6 to 10 years
Computers	- 3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

44:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Properties held for development

Properties held for development consists of land held for the purpose of development and future sale. Development properties are stated at cost, less any allowance considered necessary by the directors.

(f) Goodwill on consolidation

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses.

Goodwill on acquisitions of subsidiaries and associates that occurred prior to 1 January 2001 were written off against reserves and has not been retrospectively capitalised and amortised. Goodwill is amortised in the profit and loss account using the straight-line method over its estimated useful life of not more than 20 years.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for acquisitions prior to 1 January 2001, the goodwill written off against reserves.

(g) Trademarks

Trademarks are amortised over a period of between three and ten years.

(h) Other financial assets

Debt and equity securities held for the long-term are stated at cost less an allowance for diminution in value which, in the opinion of the directors, are other than temporary.

Equity securities held for the short-term are stated at market value, on a portfolio basis. Any increases or decreases in carrying amount are included in the profit and loss account.

(i) Non-financial assets

Transferable country club memberships are stated at the lower of cost and net realisable value.

(j) Derivatives and hedging

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from operational and financing activities. Derivative financial instruments are not used for trading purposes.

Gains and losses from forward exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

(k) Inventories

Trading goods

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

45:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (cont'd)

Contract work-in-progress

Contract work-in-progress at the balance sheet date are recorded at the net amount of costs incurred plus attributable profits and after deducting progress billings.

Contract costs comprise costs that relate directly to the contracts, attributable to the contract activity in general and can be allocated to the specific contract, and other costs chargeable to the customer within the terms of the contract. Losses on contracts are recognised in the financial statements as soon as the loss is foreseen. Such losses recognised include both the loss for the stage of completion reached on the contracts and the loss for future works on the contracts.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

(m) Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of leasehold building carried at revalued amount is recognised in the same way as a revaluation decrease. All other impairment losses are recognised in the profit and loss account.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss in respect of leasehold building carried at revalued amount is recognised in the same way as a revaluation increase. All other reversals of impairment loss are recognised in the profit and loss account.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

(n) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is, however, not recognised on temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

46:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Deferred tax (cont'd)

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

(o) Repurchase of share capital

When share capital recognised as equity is repurchased, the issued share capital is reduced by the par value of the shares repurchased and transferred to a capital redemption reserve. The costs associated with the repurchase, comprising the purchase consideration plus costs incidental to the acquisition, are set off against accumulated profits.

(p) Revenue recognition

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Construction Contracts

Revenue from construction contracts is recognised on the percentage of completion method measured by reference to the percentage of actual costs incurred to date against budgeted costs.

Revenue from Hotel Operations

Revenue arising from hotel operations is recognised when the relevant services are rendered.

Interest Income, Dividend Income, Fee Income, Claims and Rebates and Rental Income

Interest income from bank deposits is accrued on a time-apportioned basis.

Dividend income is recognised when the right to receive payment is established.

Fee income, claims and rebates and rental income are recognised on an accrual basis.

(q) Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

(r) Finance costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale. The interest component of finance lease payments is recognised in the profit and loss account using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

3. PROPERTY, PLANT AND EQUIPMENT

	VALUATION				COST																			
					LEASEHOLD				FURNITURE, FITTINGS AND OFFICE				WAREHOUSE				MOTOR				PLANT AND			
	LEASEHOLD BUILDING	LEASEHOLD BUILDINGS	FREEHOLD LAND	FREEHOLD BUILDINGS	IMPROVE-MENTS	RENOVATIONS	EQUIPMENT	AND OFFICE EQUIPMENT	EQUIPMENT	VEHICLES	MACHINERY	COMPUTERS	TOTAL											
GROUP	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
VALUATION/ COST																								
At 1 January 2002	8,500,000	6,391,313	7,490,247	33,635,585	3,063,141	1,825,449	2,490,182	1,716,890	6,175,458	11,422,415	1,882,856	84,593,536												
Additions	-	-	-	-	-	105,318	205,774	12,305	1,320,389	395,785	75,831	2,115,402												
Disposals	-	-	-	-	-	(11,500)	(47,830)	(127,648)	(1,374,457)	(250,531)	(25,245)	(1,837,211)												
Written off	-	-	-	-	-	(10,975)	(25,329)	-	-	(2,561)	-	(38,865)												
Translation differences on consolidation	-	(295,927)	(477,751)	986,576	-	(22,742)	(87,119)	-	(41,784)	58,928	(27,279)	92,902												
At 31 December 2002	\$8,500,000	\$6,095,386	\$7,012,496	\$34,622,161	\$3,063,141	\$1,885,550	\$2,535,678	\$1,601,547	\$6,079,606	\$11,624,036	\$1,906,163	\$84,925,764												
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES																								
At 1 January 2002	2,684,210	3,160,253	487,200	2,304,771	932,531	1,328,041	1,543,768	1,234,566	3,384,811	6,652,780	1,017,492	24,730,423												
Depreciation for the year	223,684	296,967	-	635,100	83,330	67,183	272,228	163,898	658,305	979,662	324,991	3,705,348												
Impairment loss	-	-	685,950	-	-	-	-	-	-	-	-	685,950												
Disposals	-	-	-	-	-	(11,500)	(43,305)	(125,761)	(1,190,910)	(243,030)	(23,483)	(1,637,989)												
Written off	-	-	-	-	-	(6,128)	(18,123)	-	-	(2,560)	-	(26,811)												
Translation differences on consolidation	-	(103,229)	(29,900)	(17,024)	-	(3,563)	(42,080)	-	(9,734)	(7,641)	(9,492)	(222,663)												
At 31 December 2002	\$2,907,894	\$3,353,991	\$1,143,250	\$2,922,847	\$1,015,861	\$1,374,033	\$1,712,488	\$1,272,703	\$2,842,472	\$7,379,211	\$1,309,508	\$27,234,258												
DEPRECIATION CHARGE FOR 2001	\$ 223,684	\$ 609,157	\$ -	\$ 616,960	\$ 83,873	\$ 81,479	\$ 219,031	\$ 149,372	\$ 651,673	\$ 1,059,384	\$ 325,427	\$ 4,020,040												
CARRYING AMOUNT																								
At 31 December 2002	\$5,592,106	\$2,741,395	\$5,869,246	\$31,699,314	\$2,047,280	\$ 511,517	\$ 823,190	\$ 328,844	\$3,237,134	\$4,244,825	\$ 596,655	\$57,691,506												
At 31 December 2001	\$5,815,790	\$3,231,060	\$7,003,047	\$31,330,814	\$2,130,610	\$ 497,408	\$ 946,414	\$ 482,324	\$2,790,647	\$ 4,769,635	\$ 865,364	\$59,863,113												

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Valuation		Cost						
	LEASEHOLD BUILDING	LEASEHOLD IMPROVEMENTS	RENOVATIONS	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	WAREHOUSE EQUIPMENT	MOTOR VEHICLES	PLANT AND MACHINERY	COMPUTERS	TOTAL
COMPANY	\$	\$	\$	\$	\$	\$	\$	\$	\$
VALUATION/COST									
At 1 January 2002	8,500,000	3,063,141	1,108,075	908,815	569,683	1,886,657	517,604	1,185,155	17,739,130
Additions	-	-	20,410	49,269	1,410	1,041,231	-	16,106	1,128,426
Disposals	-	-	-	(11,001)	(2,150)	(632,032)	-	(21,335)	(666,518)
At 31 December 2002	\$8,500,000	\$3,063,141	\$ 1,128,485	\$947,083	\$568,943	\$2,295,856	\$517,604	\$1,179,926	\$18,201,038
ACCUMULATED DEPRECIATION									
At 1 January 2002	2,684,210	932,531	1,097,094	764,725	497,307	1,235,068	386,446	662,776	8,260,157
Depreciation for the year	223,684	83,330	13,066	45,351	15,152	211,827	40,243	184,121	816,774
Disposals	-	-	-	(11,001)	(1,913)	(578,326)	-	(19,573)	(610,813)
At 31 December 2002	\$2,907,894	\$1,015,861	\$ 1,110,160	\$799,075	\$510,546	\$ 868,569	\$426,689	\$ 827,324	\$ 8,466,118
DEPRECIATION CHARGE FOR 2001	\$ 223,684	\$ 83,873	\$ 15,400	\$ 49,168	\$ 17,893	\$ 201,630	\$ 41,224	\$ 183,387	\$ 816,259
CARRYING AMOUNT									
At 31 December 2002	\$5,592,106	\$2,047,280	\$ 18,325	\$148,008	\$ 58,397	\$1,427,287	\$ 90,915	\$ 352,602	\$ 9,734,920
At 31 December 2001	\$5,815,790	\$2,130,610	\$ 10,981	\$144,090	\$ 72,376	\$ 651,589	\$131,158	\$ 522,379	\$ 9,478,973

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The leasehold building stated at directors' valuation is based on an independent professional valuation carried out on an open market value basis in 1990.

Had the leasehold building been stated at cost, the net book value in the Group and in the Company would have been \$5,463,425 (2001: \$5,681,977).

- (b) Included in the net book value of property, plant and equipment of the Group and of the Company are assets with net book value of \$834,565 (2001: \$1,002,126) and \$121,470 (2001: \$151,838), respectively, which are acquired under finance leases.

4. INTERESTS IN SUBSIDIARIES

	COMPANY	
	2002 \$	2001 \$
Unquoted equity shares, at cost	24,704,181	24,705,184
Less:		
Impairment losses, at beginning and end of the year	1,500,000	1,500,000
	<u>\$23,204,181</u>	<u>\$23,205,184</u>

Details of the subsidiaries are as follows:

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY HELD BY THE GROUP		COST OF INVESTMENT	
			2002 %	2001 %	2002 \$	2001 \$
@ Topseller Pte Ltd and its subsidiary:	Supply of agency products to supermarkets, hotels, institutions and provision shops	Singapore	100	100	1,000,000	1,000,000
@ A.T. Chemical Pte Ltd	Marketing and distribution of chemical products	Singapore	100	100	-	-
@ Econ Minimart Services Pte Ltd	Dormant	Singapore	100	100	2	2
@ Tipex Trading Pte Ltd and its subsidiaries:	Supply of provisions and household products	Singapore	74	74	370,000	370,000
@ Tips Trading Pte Ltd	Supply of shelving	Singapore	74	74	-	-
* Tipex Investment Pte Ltd	Dormant	Singapore	-	74	-	-
^ Tips Industry (M) Sdn. Bhd.	Packing of paper products	Malaysia	74	74	-	-
^ Beautex Marketing (M) Sdn. Bhd.	Sale of paper products and household consumer products	Malaysia	74	74	-	-
Balance carried forward					<u>1,370,002</u>	<u>1,370,002</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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4. INTERESTS IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY HELD BY THE GROUP		COST OF INVESTMENT	
			2002 %	2001 %	2002 \$	2001 \$
Balance brought forward					1,370,002	1,370,002
* A & P Marketing Pte Ltd	Dormant	Singapore	-	100	-	1,003
^ Socma Trading (M) Sdn. Bhd. and its subsidiaries:	Marketing and sale of household consumer products	Malaysia	100	100	4,334,177	4,334,177
^ Econfood Manufacturing (M) Sdn. Bhd.	Manufacture of edible oils and jelly products	Malaysia	100	100	-	-
^ Fresh Fruit Juice Manufacturing (M) Sdn. Bhd.	Manufacture of fruit juice drinks	Malaysia	100	100	-	-
@ PSC Investment Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100	2,000,000	2,000,000
* Fortune Bright Investment Pte Ltd and its subsidiary:	Investment holding	Singapore	-	51	-	-
* Fortune Bakery Singapore Pte Ltd	Investment holding	Singapore	-	51	-	-
@ Mountain Investment Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100	-	-
+ Harbin Cartel International Club Co Ltd	Entertainment and hotel operator	People's Republic of China	60	60	-	-
@ Fortune Food Manufacturing Pte Ltd and its subsidiary:	Manufacture of soya bean products	Singapore	100	100	6,000,000	6,000,000
@ Fortune Food Marketing Pte Ltd	Sale of soya bean products	Singapore	100	100	-	-
@ PSC Resort Pte Ltd and its subsidiary:	Marketing agent of golf memberships	Singapore	100	100	1,000,000	1,000,000
Balance carried forward					14,704,179	14,705,182

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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4. INTERESTS IN SUBSIDIARIES (CONT'D)

	NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY HELD BY THE GROUP		COST OF INVESTMENT	
				2002 %	2001 %	2002 \$	2001 \$
	Balance brought forward					14,704,179	14,705,182
g	Palm Meadows Sdn. Bhd.	Dormant	Malaysia	100	-	-	-
@	Topseller Development Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100	2	2
^	Flobina Sdn. Bhd.	Property development	Malaysia	100	100	-	-
@	PSC International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100	10,000,000	10,000,000
†	Playford Hotel Pty Ltd	Hotel	Australia	70	70	-	-
@	HSI Group Pte Ltd and its subsidiaries:	Investment holding	Singapore	95	95	-	-
Ω	Health Solutions (Malaysia) Sdn. Bhd. and its subsidiary:	Construction of hospital turnkey projects and provision of health care consultancy and hospital management services	Malaysia	95	95	-	-
Ω	Health Solutions Services Sdn. Bhd.	Dormant	Malaysia	**	67	-	-
						<u>\$24,704,181</u>	<u>\$24,705,184</u>

@ Audited by KPMG Singapore.

^ Audited by KPMG Malaysia.

† Audited by KPMG Australia.

÷ Audited by Harbin Public Accountant Office, People's Republic of China.

Ω Audited by Deloitte & Touche, Malaysia.

g Audited by Goh Joon Hia & Co., Malaysia.

* Deregistered during the financial year.

** During the financial year, the subsidiary increased its paid-up capital by the issuance of additional ordinary shares to its shareholders. The amount subscribed by the Group was less than its proportionate interest in the subsidiary. As a result, the percentage of equity interest held by the Group in the company was diluted to 28.5%. The company, Health Solutions Services Sdn. Bhd., is now considered to be an associate of the Group (Note 5).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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5. INVESTMENTS IN ASSOCIATES

	GROUP	
	2002	2001
	\$	\$
Unquoted equity shares, at cost	8,939,045	14,464,011
Less:		
Impairment losses		
At 1 January	700,000	700,000
Impairment loss made during the year	680,000	-
At 31 December	1,380,000	700,000
	7,559,045	13,764,011
Share premium	350,487	350,487
Share of post-acquisition retained earnings	2,832,659	30,195,218
Currency translation reserve	1,221,402	449,079
	\$11,963,593	\$44,758,795

Details of the associates are as follows:

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY HELD BY THE GROUP	
			2002 %	2001 %
& Health Solutions (Australia) Pty Ltd and its subsidiaries:) Provision of health care consultancy and hospital management services	Australia	46.5	46.5
~ Health Solutions (WA) Pty Ltd)	Australia	33.7	33.7
* Health Solutions Pty Ltd	Dormant	Australia	-	27.9
* Health Solutions (NSW) Pty Ltd	Dormant	Australia	-	41.9
Ω Health Solutions (S.E. Asia) Sdn. Bhd.	Construction of hospital turnkey projects and provision of health care consultancy and hospital management services	Malaysia	28.5	28.5
Ω Andaria Sdn. Bhd.	Dormant	Malaysia	-	28.5
Ω Health Solutions Services Sdn. Bhd.	Dormant	Malaysia	28.5	##
Pulai Springs Resort Berhad	Developer, proprietor and operator of a golf and country club and other recreational facilities	Malaysia	-	50
Σ Pancagala Resouces Sdn. Bhd.	Developer, proprietor and operator of a golf and country club and other recreational facilities	Malaysia	50	50
Σ Freshpoint Sdn. Bhd.	Dormant	Malaysia	29	29
+ Harbin Puwei Real Estate Development Co Ltd	Development of property in China	People's Republic of China	40	40
+ Longkou Luzhibei Preserved Fruit Company Limited	Manufacture and distribution of preserved fruits	People's Republic of China	40	40

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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5. INVESTMENTS IN ASSOCIATES (CONT'D)

NAME OF ASSOCIATE	PRINCIPAL ACTIVITIES	PLACE OF INCORPORATION AND BUSINESS	EFFECTIVE EQUITY HELD BY THE GROUP	
			2002 %	2001 %
# Sanya Fu Dao Tourism Co Ltd	Operation of a hotel in China	People's Republic of China	40	40
+ Topseller Chemical (China) Company Limited	Supply of washing powder and detergents	People's Republic of China	40	40
* Provisions (Asia) Trading Pte Ltd	Export and import of food products	Singapore	-	40

+ Audited by Harbin Public Accountant Office, People's Republic of China.

+ Audited by Yantai Longkou Company Accountant, People's Republic of China.

Audited by Sanya Tianya CPA Office, People's Republic of China.

~ Audited by Ernst & Young, Australia.

Ω Audited by Deloitte & Touche, Malaysia.

Σ Audited by Smalley & Company, Malaysia.

& Not required to be audited by law of country of incorporation.

* Deregistered during the financial year.

See Note 4.

6. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	2002 \$	2001 \$	2002 \$	2001 \$
NON-CURRENT INVESTMENTS, AT COST				
Quoted investments:				
- debt securities	2,994,620	12,994,620	2,994,620	12,994,620
- equity securities	8,561,794	-	-	-
	<u>\$ 11,556,414</u>	<u>\$12,994,620</u>	<u>\$ 2,994,620</u>	<u>\$12,994,620</u>
CURRENT INVESTMENTS, AT MARKET VALUE				
Quoted equity securities	<u>\$ 8,998,526</u>	<u>\$ 190,084</u>	<u>\$ 4,830,694</u>	<u>\$ 190,084</u>

The market value of the non-current quoted investments is disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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6. OTHER FINANCIAL ASSETS (CONT'D)

The weighted average effective interest rates of quoted debt securities at the balance sheet date and the periods in which they reprice or mature, whichever is earlier, are as follows:

GROUP AND COMPANY	EFFECTIVE INTEREST RATES %	FIXED INTEREST RATE MATURING			TOTAL \$
		WITHIN 1 YEAR \$	1 TO 5 YEARS \$	AFTER 5 YEARS \$	
2002					
Quoted debt securities	4.77	\$ -	\$2,994,620	\$ -	\$ 2,994,620
2001					
Quoted debt securities	3.93	\$ -	\$7,994,620	\$ 5,000,000	\$12,994,620

7. TRADEMARKS

	GROUP	
	2002 \$	2001 \$
At cost	363,050	363,050
Less:		
Accumulated amortisation:		
At 1 January	363,050	337,729
Amortisation during the year	-	25,321
At 31 December	363,050	363,050
	\$ -	\$ -

8. DEFERRED TAXATION

Deferred tax assets and liabilities are attributable to the following:

GROUP	ASSETS		LIABILITIES		NET	
	2002 \$	2001 \$	2002 \$	2001 \$	2002 \$	2001 \$
Property, plant and equipment	369,997	-	(298,444)	(341,117)	71,553	(341,117)
Other financial assets	123,000	48,020	-	-	123,000	48,020
Trade and other receivables	30,639	-	-	-	30,639	-
Tax value of loss carry-forward	275,238	-	-	-	275,238	-
Other items	-	13,550	(10,000)	(110,203)	(10,000)	(96,653)
Net tax assets/(liabilities)	\$798,874	\$ 61,570	\$(308,444)	\$(451,320)	\$ 490,430	\$(389,750)

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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8. DEFERRED TAXATION (CONT'D)

COMPANY	ASSETS		LIABILITIES		NET	
	2002	2001	2002	2001	2002	2001
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	-	-	(113,000)	(135,790)	(113,000)	(135,790)
Other financial assets	123,000	48,020	-	-	123,000	48,020
Other items	-	-	(10,000)	(81,030)	(10,000)	(81,030)
Net tax assets/(liabilities)	\$123,000	\$ 48,020	\$(123,000)	\$(216,820)	\$ -	\$(168,800)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Deferred tax assets	645,000	-	-	-
Deferred tax liabilities	(154,570)	(389,750)	-	(168,800)
	\$ 490,430	\$ (389,750)	\$ -	\$ (168,800)

Deferred tax assets have not been recognised in respect of the following items:

	GROUP	
	2002	2001
	\$	\$
Tax losses	11,475,434	11,983,236
Deductible temporary difference	204,378	2,885,606
	\$11,679,812	\$14,868,842

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the respective subsidiaries concerned can utilise the benefits.

9. NON-FINANCIAL ASSETS

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Transferable country club memberships	\$ 418,948	\$ 418,948	\$ 90,000	\$ 90,000

10. PROPERTY HELD FOR DEVELOPMENT

	GROUP	
	2002	2001
	\$	\$
Land and other related costs	\$ 629,409	\$ -

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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11. INVENTORIES

	NOTE	GROUP		COMPANY	
		2002 \$	2001 \$	2002 \$	2001 \$
Raw materials		1,461,727	1,269,337	-	-
Finished goods		15,292,962	14,588,651	11,854,024	10,479,927
Packing materials		44,307	57,208	-	-
		16,798,996	15,915,196	11,854,024	10,479,927
Less:					
Allowance for finished goods:					
At 1 January		205,310	222,436	22,510	22,510
Allowance made during the year		115,462	69,009	112,000	-
Allowance used during the year		(53,510)	(91,002)	-	-
Translation difference		(3,499)	4,867	-	-
At 31 December		263,763	205,310	134,510	22,510
		16,535,233	15,709,886	11,719,514	10,457,417
Contract work-in-progress	12	670,124	1,201,914	-	-
		\$17,205,357	\$16,911,800	\$11,719,514	\$10,457,417

12. CONTRACT WORK-IN-PROGRESS

	GROUP	
	2002 \$	2001 \$
Project costs	35,353,965	23,331,864
Add:		
Attributable profit	5,916,337	5,493,635
	41,270,302	28,825,499
Less:		
Progress billings	40,600,178	27,623,585
	\$ 670,124	\$ 1,201,914

13. TRADE AND OTHER RECEIVABLES

	NOTE	GROUP		COMPANY	
		2002 \$	2001 \$	2002 \$	2001 \$
Trade receivables	14	23,825,669	27,069,038	8,440,672	11,216,462
Deposits, prepayments and other receivables	15	6,177,659	1,835,060	320,198	395,321
Amounts due from:					
- subsidiaries	16	-	-	32,664,325	43,797,547
- associates	17	11,355,012	9,835,183	34,483	1,958,958
- related corporation (mainly non-trade)		-	3,855	-	3,855
		\$41,358,340	\$38,743,136	\$41,459,678	\$57,372,143

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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14. TRADE RECEIVABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Trade receivables	26,021,569	29,381,959	8,919,533	11,621,422
Less:				
Allowance for doubtful receivables:				
At 1 January	2,312,921	2,573,805	404,960	373,435
Allowance made during the year	322,272	60,907	73,901	31,525
Allowance reversed during the year	(52,748)	-	-	-
Allowance used during the year	(351,037)	(365,108)	-	-
Translation difference	(35,508)	43,317	-	-
At 31 December	2,195,900	2,312,921	478,861	404,960
	\$23,825,669	\$27,069,038	\$ 8,440,672	\$11,216,462

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Deposits	184,597	297,033	12,265	8,857
Prepayments	1,029,071	440,922	50,638	38,266
Non-trade receivables	4,881,379	969,294	176,585	247,923
Interest receivables	82,612	104,315	80,710	100,275
Amount due from minority shareholder of a subsidiary	-	23,496	-	-
	\$ 6,177,659	\$ 1,835,060	\$ 320,198	\$ 395,321

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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16. AMOUNTS DUE FROM SUBSIDIARIES

	COMPANY	
	2002	2001
	\$	\$
Interest-free loan	-	4,461,677
Current accounts:		
- trade	904,398	15,126,729
- non-trade	36,439,927	26,609,141
	37,344,325	46,197,547
Less:		
Allowance for doubtful receivables		
At 1 January	2,400,000	2,400,000
Allowance reversed during the year	(2,400,000)	-
Allowance made during the year	4,680,000	-
At 31 December	4,680,000	2,400,000
	\$32,664,325	\$43,797,547

The non-trade amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

17. AMOUNTS DUE FROM ASSOCIATES

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Interest-free loan	812,685	812,685	-	-
Interest-bearing loan	208,504	265,579	-	-
Current accounts:				
- trade	245,801	-	34,483	35
- non-trade	10,188,022	8,756,919	-	1,958,923
	11,455,012	9,835,183	34,483	1,958,958
Less:				
Allowance for doubtful receivables				
At 1 January	-	-	-	-
Allowance made during the year	100,000	-	-	-
At 31 December	100,000	-	-	-
	\$11,355,012	\$9,835,183	\$ 34,483	\$1,958,958

The non-trade amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. The loans are unsecured and have no fixed terms of repayment. At the balance sheet date, the interest-bearing loan of \$208,504 (2001: \$265,579) has an effective interest rate of 5.115% (2001: 6.138%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Cash at bank and in hand	6,244,997	2,757,398	372,789	193,239
Fixed deposits with banks	42,369,200	19,733,864	28,293,769	17,131,840
	48,614,197	22,491,262	28,666,558	17,325,079
Bank overdrafts	(1,143,400)	(2,010,401)	-	(89,812)
	\$47,470,797	\$20,480,861	\$28,666,558	\$17,235,267

Included in fixed deposits is \$2,700,000 (2001: \$855,000) relating to security deposits from customers of the Company.

Included in bank overdrafts of the Group is an amount of \$859,683 (2001: \$1,052,887), secured by a standby letter of credit from a bank of \$1,470,000 (2001: \$1,470,000) which is undertaken and guaranteed by the Company.

The weighted average effective interest rates per annum at the balance sheet date are as follows:

	GROUP		COMPANY	
	2002	2001	2002	2001
	%	%	%	%
Cash and cash equivalents, excluding bank overdrafts	3.50	1.82	3.77	1.74
Bank overdrafts	6.40	6.81	-	5.75

Interest rates reprice at intervals of less than 1 month.

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Trade payables and accruals	24,835,290	24,154,131	12,653,133	14,475,153
Amounts due to				
- subsidiaries:				
- trade	-	-	644,771	10,451,432
- non-trade	-	-	3,389,717	606,625
- associates (mainly non-trade)	1,727,700	1,640,493	13,092	13,092
Other payables	5,913,150	3,943,873	2,859,928	990,457
	\$32,476,140	\$29,738,497	\$19,560,641	\$26,536,759

The non-trade amounts due to subsidiaries and associates are unsecured, interest-free and have no fixed terms of repayment.

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Provision Suppliers Corporation Limited

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20. INTEREST-BEARING BORROWINGS

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
NON-CURRENT LIABILITIES				
Secured bank loans	21,975,493	162,762	-	-
Finance lease liabilities	238,413	396,493	-	31,633
	\$22,213,906	\$ 559,255	\$ -	\$ 31,633
CURRENT LIABILITIES				
Secured bank loans	6,811,127	22,671,145	-	-
Unsecured bank loans	979,865	1,634,130	-	-
Trust receipts	2,667,574	3,184,740	63,250	252,233
Finance lease liabilities	198,149	275,049	31,633	75,919
	\$10,656,715	\$27,765,064	\$ 94,883	\$ 328,152

SECURED

The secured bank loans comprise:

- (i) Term loan of A\$23,050,000, equivalent to \$22,692,725 (2001: A\$23,850,000, equivalent to \$22,593,105), which is secured by a first legal mortgage over the freehold land and building owned by a subsidiary with a carrying value of \$28,864,465 as at 31 December 2002 (2001: \$28,274,521), a fixed and floating charge over the subsidiary's present and future assets and a guarantee from the Company. The term loan bears interest at 7.09% (2001: 8.10%) per annum. The loan is repayable by annual instalments of A\$400,000 in April 2000, followed by annual instalment of A\$800,000 thereafter. The balance of the outstanding term loan shall be repaid in full on the fifth anniversary of the loan draw-down date unless advised by the bank that it has been extended for a further term.

Subsequent to the balance sheet date, the term loan was refinanced. The new term loan is repayable by quarterly instalments of A\$200,000 from March 2003. The balance of the outstanding term loan shall be repaid in full on the fifth anniversary of the loan draw-down date unless advised by the bank that it has been extended for a further term. Accordingly, the portion of the term loan that is repayable 12 months from 31 December 2002 of A\$22,250,000, equivalent to \$21,905,125, has been classified under non-current liabilities.
- (ii) Term loan of RM330,816, equivalent to \$151,282 (2001: RM494,257, equivalent to \$240,802), which is secured by fixed charges on a subsidiary's freehold land and building with a carrying value of \$1,107,989 as at 31 December 2002 (2001: \$1,200,977). The term loan bears interest at 1.75% above the bank's base lending rate and is repayable in 60 monthly instalments commencing November 1999.
- (iii) Bankers' acceptances of RM12,995,000, equivalent to \$5,942,613 (2001: Nil) which form part of a credit facility obtained by a subsidiary. The credit facility is secured by assignment of contract proceeds and sinking fund from the contract work-in-progress undertaken by the subsidiary and its associates, 20% marginal deposit placed with the bank upon each application of tender guarantee and a corporate guarantee from the Company. At the balance sheet date, the bankers' acceptances bear interest ranging from 2.95% to 4.95% per annum and are repayable within 180 days or the credit period as stated in the respective invoices, whichever is shorter.

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Provision Suppliers Corporation Limited

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20. INTEREST-BEARING BORROWINGS (CONT'D)

Unsecured

The unsecured bank loans comprise bank term loan of RMB4,362,931, equivalent to \$979,865 (2001: RMB4,632,900, equivalent to \$1,034,130) which bears fixed interest rate of 6.7% (2001: 6.7%) per annum.

Maturity of borrowings (excluding finance lease liabilities):

	GROUP	
	2002	2001
	\$	\$
Within 1 year	32,363,691	27,490,015
After 1 year but within 5 years	70,368	162,762
	<u>\$32,434,059</u>	<u>\$27,652,777</u>

Weighted average effective interest rates and repricing analysis:

GROUP	EFFECTIVE INTEREST RATES %	FLOATING INTEREST \$	FIXED INTEREST RATE MATURING WITHIN 1 YEAR \$	1 TO 5 YEARS \$	AFTER 5 YEARS \$	TOTAL \$
2002						
Secured bank loans:						
- A\$ fixed rate loan	7.09	-	22,692,724	-	-	22,692,724
- RM floating rate loan	2.95 – 4.95	6,093,896	-	-	-	6,093,896
Unsecured bank loans	6.70	979,865	-	-	-	979,865
Trust receipts	3.85 – 5.50	-	2,667,574	-	-	2,667,574
Finance lease liabilities	2.50 – 6.00	-	198,149	238,413	-	436,562
		<u>\$7,073,761</u>	<u>\$25,558,447</u>	<u>\$ 238,413</u>	<u>\$ -</u>	<u>\$32,870,621</u>
2001						
Secured bank loans:						
- A\$ fixed rate loan	8.10	-	22,593,105	-	-	22,593,105
- RM floating rate loan	4.90	240,802	-	-	-	240,802
Unsecured bank loans	3.40 – 6.70	1,634,130	-	-	-	1,634,130
Trust receipts	6.14 – 8.05	-	3,184,740	-	-	3,184,740
Finance lease liabilities	2.60 – 6.00	-	275,049	384,533	11,960	671,542
		<u>\$1,874,932</u>	<u>\$26,052,894</u>	<u>\$ 384,533</u>	<u>\$ 11,960</u>	<u>\$28,324,319</u>
COMPANY						
2002						
Trust receipts	5.50	-	63,250	-	-	63,250
Finance lease liabilities	2.57	-	31,633	-	-	31,633
		<u>\$ -</u>	<u>\$ 94,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,883</u>
2001						
Trust receipts	5.50	-	252,233	-	-	252,233
Finance lease liabilities	2.60	-	75,919	31,633	-	107,552
		<u>\$ -</u>	<u>\$ 328,152</u>	<u>\$ 31,633</u>	<u>\$ -</u>	<u>\$ 359,785</u>

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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20. INTEREST-BEARING BORROWINGS (CONT'D)

Finance Lease Liabilities

As at 31 December 2002, the Group and the Company have obligations under finance leases that are repayable as follows:

	2002			2001		
	PAYMENTS	INTEREST	PRINCIPAL	PAYMENTS	INTEREST	PRINCIPAL
GROUP	\$	\$	\$	\$	\$	\$
Within 1 year	226,060	27,911	198,149	301,487	26,438	275,049
After 1 year but within 5 years	285,075	46,662	238,413	457,399	72,866	384,533
After 5 years	-	-	-	14,189	2,229	11,960
	511,135	74,573	436,562	773,075	101,533	671,542
Amount due within 1 year	(226,060)	(27,911)	(198,149)	(301,487)	(26,438)	(275,049)
	\$ 285,075	\$ 46,662	\$ 238,413	\$ 471,588	\$ 75,095	\$ 396,493
COMPANY						
Within 1 year	34,110	2,477	31,633	81,864	5,945	75,919
After 1 year but within 5 years	-	-	-	34,110	2,477	31,633
	\$ 34,110	\$ 2,477	\$ 31,633	\$ 115,974	\$ 8,422	\$ 107,552

21. SHARE CAPITAL

COMPANY	2002		2001	
	NO. OF SHARES	\$	NO. OF SHARES	\$
<i>Authorised:</i>				
Ordinary shares of \$0.05 each	2,000,000,000	\$ 100,000,000	2,000,000,000	\$ 100,000,000
<i>Issued and fully paid:</i>				
At 1 January	1,113,539,875	55,676,994	1,125,758,875	56,287,944
Shares repurchased and cancelled	-	-	(12,219,000)	(610,950)
At 31 December	1,113,539,875	\$ 55,676,994	1,113,539,875	\$ 55,676,994

During the last financial year, under the share buy-back mandate approved by shareholders, the Company repurchased 12,219,000 ordinary shares of \$0.05 each at an average price of \$0.098 per share, amounting to a total cost, including brokerage, of \$1,195,448. The repurchase transactions were financed by internally generated funds.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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22. RESERVES

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Capital reserves				
- Share premium	29,356,168	29,356,168	29,356,168	29,356,168
- Share premium arising from issue of ordinary shares by an associate	350,487	350,487	-	-
- Goodwill on consolidation arising from acquisition of subsidiaries	(375,894)	(375,894)	-	-
- Reserve arising from bonus shares issued by a subsidiary	2,500,000	2,500,000	-	-
- Capital redemption reserve	610,950	610,950	610,950	610,950
	32,441,711	32,441,711	29,967,118	29,967,118
Currency translation reserve	(780,087)	(3,385,356)	-	-
Accumulated profits	38,679,430	44,569,439	15,392,553	16,270,375
	\$70,341,054	\$73,625,794	\$45,359,671	\$46,237,493

The application of the share premium account is governed by sections 69 – 69F of the Companies Act, Chapter 50.

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operation of the Company.

23. REVENUE

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Sale of goods	126,162,104	140,640,992	70,905,012	86,421,190
Revenue from hotel operations	15,209,748	15,089,849	-	-
Revenue from construction contracts	13,757,773	5,846,231	-	-
	\$155,129,625	\$161,577,072	\$70,905,012	\$86,421,190

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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24. PROFIT FROM OPERATIONS

The following items have been included in arriving at profit from operations:

NOTE	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Dividend income (gross):				
- subsidiaries	-	-	(2,583,200)	-
- quoted equity investments	(5,381)	(6,553)	(5,381)	(6,553)
Exchange loss/(gain)	458,411	305,159	(140,092)	25,292
Gain on disposal of quoted debt securities	(11,000)	-	(11,000)	-
Bad debts recovered (trade)	(53,088)	(15,586)	(45,824)	-
Gain on disposal of property, plant and equipment	(122,292)	(70,222)	(65,701)	(10,123)
Gain on dilution of interest in a subsidiary	(4,282)	-	-	-
(Gain)/loss on de-registration of subsidiaries	(15,669)	-	36,121	-
Interest income:				
- debt securities	(314,445)	(414,616)	(314,445)	(282,981)
- fixed deposits	(647,363)	(597,406)	(479,508)	(565,027)
- subsidiaries	-	-	-	(122,232)
Allowance made for:				
- inventories	11	115,462	69,009	112,000
- doubtful receivables, net (trade)	14	269,524	60,907	73,901
Auditors' remuneration:				
- auditors of the Company				
- current year		127,300	128,800	65,000
- underprovision in respect of prior years		300	525	-
- other auditors		35,098	36,724	-
Non-audit fees paid to auditors of the Company		15,045	12,250	9,140
Bad debts written off (trade)		18,561	28,004	-
Directors' fees:				
- directors of the Company		304,573	310,000	210,000
- other directors		37,499	17,975	-
Directors' remuneration*:				
- directors of the Company		2,709,529	2,679,114	2,709,529
- other directors		492,462	531,413	-
Consultancy fees paid to a director of a subsidiary		10,975	11,693	-
Professional fees paid to firms in which a director of a subsidiary is a member		667,676	618,953	-
Inventories written off		44,605	72,430	-
Property, plant and equipment written off		12,054	613	-
Operating lease expenses		1,114,285	1,173,325	810,239
Contribution to defined contribution plans*		1,083,353	1,099,918	358,165
Number of employees at 31 December		716	721	87
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* Included in staff costs

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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25. FINANCE COSTS

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Interest paid and payable to:				
- banks	2,319,027	2,190,536	2,158	122
- others	32,459	38,621	5,945	8,013
	<u>\$2,351,486</u>	<u>\$ 2,229,157</u>	<u>\$ 8,103</u>	<u>\$ 8,135</u>

26. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
CURRENT TAX EXPENSE				
Current year	1,986,646	1,865,231	850,000	912,800
Under/(over) provided in prior years	165,891	(9,111)	-	12,600
	<u>2,152,537</u>	<u>1,856,120</u>	<u>850,000</u>	<u>925,400</u>
DEFERRED TAX EXPENSE				
Movement in temporary differences	(164,189)	176,231	417,629	(94,580)
Effect of reduction in tax rates	311,665	128,578	(12,203)	(6,620)
Benefit of tax losses recognised	(275,003)	-	-	-
Benefit of temporary differences recognised	(970,428)	(380,803)	-	-
	<u>(1,097,955)</u>	<u>(75,994)</u>	<u>405,426</u>	<u>(101,200)</u>
	<u>1,054,582</u>	<u>1,780,126</u>	<u>1,255,426</u>	<u>824,200</u>
Share of tax of associates	890,918	1,438,435	-	-
	<u>\$1,945,500</u>	<u>\$ 3,218,561</u>	<u>\$ 1,255,426</u>	<u>\$ 824,200</u>

RECONCILIATION OF EFFECTIVE TAX RATE

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
(Loss)/ profit before tax	(1,552,954)	9,669,082	2,549,006	3,167,252
Income tax using Singapore tax rate at 22% (2001: 24.5%)	(341,650)	2,368,925	560,781	775,977
Effect of reduction in tax rates	311,665	128,578	(12,203)	(6,620)
Tax rebate	-	(62,140)	-	(46,191)
Effect of different tax rates in other countries	81,834	120,623	-	-
Income not subject to tax	(4,959,439)	(845,892)	-	(12,863)
Balance carried forward	<u>(4,907,590)</u>	<u>1,710,094</u>	<u>548,578</u>	<u>710,303</u>

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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26. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Balance brought forward	(4,907,590)	1,710,094	548,578	710,303
Expenses not deductible for tax purposes	7,274,853	461,859	598,383	129,971
Utilisation of previously unrecognised temporary differences	(970,428)	(380,803)	-	-
Utilisation of previously unrecognised tax losses	(275,003)	-	-	-
Share of tax of associates	890,918	1,438,475	-	-
Under/(over) provided in prior years	165,891	(9,111)	-	12,600
Others	(233,141)	(1,953)	108,465	(28,674)
	\$ 1,945,500	\$ 3,218,561	\$ 1,255,426	\$ 824,200

27. BASIC (LOSS)/EARNINGS PER SHARE

	GROUP	
	2002	2001
	\$	\$
Basic (loss)/ earnings per share is based on:		
Net (loss)/ profit for the year	\$ (3,718,607)	\$ 6,268,669
	No. of shares	No. of shares
Weighted average number of shares outstanding during the year	1,113,539,875	1,122,712,445

28. DIVIDENDS

After the balance sheet date, the Directors proposed the following dividends. These dividends have not been provided for.

	2002	2001
	\$	\$
Final dividend proposed of 0.25 cents (2001: 0.25 cents) per share less tax at 22% (2001:22%)	2,171,402	2,171,402
Special dividend proposed of 0.15 cents (2001: Nil) per share less tax at 22% (2001:22%)	1,302,841	-
	\$ 3,474,243	\$ 2,171,402

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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29. DISPOSALS OF SUBSIDIARIES

(a) Disposals

During the financial year, the Group completed the de-registration of the following subsidiaries, A & P Marketing Pte Ltd, Fortune Bright Investment Pte Ltd, Tipex Investment Pte Ltd and Fortune Bakery Singapore Pte Ltd.

These companies have a total net deficit in tangible assets of \$15,669 at 31 December 2001, which has been recognised as the net gain on de-registration of subsidiaries by the Group.

(b) Effect of Disposals

	GROUP	
	2002	2001
	\$	\$
NET (LIABILITIES)/ASSETS DISPOSED		
Other receivables	2,222	-
Trade and other payables	(17,891)	-
Gain on de-registration of subsidiaries	\$ (15,669)	\$ -

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, there were the following significant transactions carried out by the Group with its associates in the normal course of business on terms agreed between the parties:

	2002	2001
	\$	\$
Management fee	169,018	389,942
Rental and conservancy charges	-	44,217
Interest received	12,938	148,727
Purchases	663,603	534,786

31. CONTINGENT LIABILITIES - UNSECURED

Company

- As at 31 December 2002, the Company has issued unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries of \$44,364,465 (2001: \$42,014,211) and to its associates of \$19,663,900 (2001: \$20,949,600).
- The Company has given formal undertakings, which are unsecured, to provide financial support to certain of its subsidiaries. As at 31 December 2002, the deficits in shareholders' funds of these subsidiaries amounted to \$9,807,874 (2001: \$9,926,216).

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31. CONTINGENT LIABILITIES - UNSECURED (CONT'D)

Group

A legal claim was filed by an architect against a subsidiary and its associate (the "companies") in Malaysia for payment of architectural services rendered by the architect and another party (the "architects"). The claim totalled to RM148,711 and USD338,794, (equivalent to a total of \$655,474 at 31 December 2002) plus interest and costs.

Pursuant to a summary judgement of the High Court in 1999, the associate issued a bank guarantee amounting to RM798,643 (equivalent to \$365,219 at 31 December 2002) in favour of the architects, which was subsequently called upon by architects.

The companies have appealed against the summary judgement and are seeking for the refund of the sum of RM798,643 drawn by the architects on the bank guarantee, and damages. The directors are of the opinion that there is sufficient evidence to support the appeal and that the claim has no merit to justify such a quantum. Accordingly, no provision for any liability arising from the claim has been made in the financial statements.

32. COMMITMENTS

As at 31 December 2002, the Group and the Company have the following commitments:

- (a) Future minimum lease payments in respect of non-cancellable operating lease commitments as follows:

	GROUP		COMPANY	
	2002	2001	2002	2001
	\$	\$	\$	\$
Payable:				
- Within 1 year	1,090,053	825,732	795,593	809,058
- After 1 year but within 5 years	5,224,466	5,360,915	3,977,964	5,333,323
- After 5 years	40,075,871	27,966,816	14,585,868	27,966,816
	<u>\$ 46,390,390</u>	<u>\$34,153,463</u>	<u>\$19,359,425</u>	<u>\$34,109,197</u>

Included in the commitments for future minimum lease payments is the leasehold building owned by the Company built on land subject to a 60-year lease commencing from 1 May 1967. The annual land rent payable under the lease agreement, which is subject to review every five years, is \$795,593 (2001: \$795,593).

- (b) Notional amount and fair value of forward foreign exchange contracts entered into for hedging anticipated future currency transactions and which are not recognised in the balance sheet as follows:

	2002		2001	
	NOTIONAL AMOUNT	FAIR VALUE	NOTIONAL AMOUNT	FAIR VALUE
	\$	\$	\$	\$
GROUP				
Forward foreign exchange contracts	\$ 612,960	\$ (6,060)	\$ 325,653	\$ 792
COMPANY				
Forward foreign exchange contracts	\$ 88,600	\$ (1,900)	\$ -	\$ -

The fair value is based on quoted market prices at the balance sheet date.

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Provision Suppliers Corporation Limited

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33. FINANCIAL INSTRUMENTS

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash is placed with financial institutions which are regulated.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Singapore dollars. The currencies giving rise to this risk are primarily Australian dollars, Malaysian Ringgit and Renminbi.

There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level. Where necessary, the Group uses forward foreign exchange contracts to hedge its foreign currency risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's investment portfolio, which includes debt securities with active secondary or resale markets to ensure portfolio liquidity, and debt obligations.

The Group adopts a policy of constantly monitoring movements in interest rates. Presently, it does not use derivative financial instruments to hedge its interest rate risk.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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33. FINANCIAL INSTRUMENTS (CONT'D)

Fair values

Recognised financial instruments

The aggregate fair values of financial assets and liabilities which are not carried at fair value in the balance sheets as at 31 December are as follows:

GROUP	2002		2001	
	CARRYING AMOUNT \$	FAIR VALUE \$	CARRYING AMOUNT \$	FAIR VALUE \$
FINANCIAL ASSETS				
Quoted debt securities	2,994,620	3,204,000	12,994,620	12,725,000
Quoted equity securities	8,561,794	6,709,506	-	-
	<u>\$ 11,556,414</u>	<u>\$ 9,913,506</u>	<u>\$12,994,620</u>	<u>\$12,725,000</u>

COMPANY

FINANCIAL ASSETS

Quoted debt securities	<u>\$ 2,994,620</u>	<u>\$ 3,204,000</u>	<u>\$12,994,620</u>	<u>\$12,725,000</u>
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The fair value of quoted securities is based on quoted market prices at the balance sheet date.

The fair value of balances with related parties have not been computed as the timing of the expected cash flows of these balances cannot be reasonably determined. However, the Group does not anticipate that the carrying amounts recorded at the balance sheet date would be significantly different from the values that would eventually be received or settled.

Financial assets carried in excess of fair value

Equity securities held for the long-term are carried in excess of their net fair value as at 31 December 2002. The equity securities have not been written down to the net fair value because management intends to hold them for the long-term and thereby expects to recover the full carrying amount of the securities.

Unrecognised financial instruments

The fair values of foreign exchange contracts are based on quoted market prices at the balance sheet date and disclosed in Note 32(b).

NOTES TO THE FINANCIAL STATEMENTS

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Provision Suppliers Corporation Limited

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34. SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earnings assets and revenue, borrowings and expenses and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments

The Group comprises the following main business segments:

Consumer and industrial products	: Supply of provisions and household consumer products, retail franchising, manufacture and sale of soya bean products.
Leisure and recreational	: Operation of a club and entertainment facility.
Healthcare	: Construction of hospital turnkey projects and provision of health care consultancy and hospital management services.
Property development	: Development of properties.
Hotel	: Operation of a hotel comprising accomodation and related services and food, beverage and banqueting operations.

Geographical Segments

The Group's business is managed in four principal geographical areas, namely, Singapore, Malaysia, China and Australia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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34. SEGMENT INFORMATION (CONT'D)

(a) Business Segments

GROUP	CONSUMER AND INDUSTRIAL PRODUCTS \$	LEISURE AND RECREATIONAL \$	HEALTHCARE \$	PROPERTY DEVELOPMENT \$	HOTEL \$	CONSOLIDATED \$
REVENUE AND EXPENSES						
2002						
Total revenue	126,162,104	-	13,757,773	-	15,209,748	155,129,625
Segment results	7,203,763	(567,940)	(1,216,182)	(1,269,492)	2,293,952	6,444,101
Unallocated results						(1,181,784)
Profit from operations						5,262,317
Finance costs						(2,351,486)
Loss on disposal of investment in an associate						(6,909,590)
Share of profit of associates						2,445,805
Taxation						(1,945,500)
Minority interests						(220,153)
Net loss for the year						\$ (3,718,607)
2001						
Total revenue	140,640,992	-	5,846,231	-	15,089,849	161,577,072
Segment results	7,558,042	(63,166)	(808,363)	(461,498)	1,699,779	7,924,794
Unallocated results						243,534
Profit from operations						8,168,328
Finance costs						(2,229,157)
Share of profit of associates						3,729,911
Taxation						(3,218,561)
Minority interests						(181,852)
Net profit for the year						\$ 6,268,669
ASSETS AND LIABILITIES						
2002						
Segment assets	90,450,144	19,063,078	17,115,639	6,511,541	32,777,355	165,917,757
Investments in associates	737,503	-	4,058,613	3,688,550	3,478,927	11,963,593
	91,187,647	19,063,078	21,174,252	10,200,091	36,256,282	177,881,350
Unallocated assets						21,199,940
Total assets						\$ 199,081,290
Segment liabilities	21,247,404	2,028,045	5,928,054	1,527,839	1,744,798	32,476,140
Unallocated liabilities						37,134,329
Total liabilities						\$ 69,610,469
2001						
Segment assets	84,109,767	4,900,369	8,695,014	7,162,091	33,561,018	138,428,259
Investments in associates	290,518	32,767,427	4,100,226	3,901,890	3,698,734	44,758,795
	84,400,285	37,667,796	12,795,240	11,063,981	37,259,752	183,187,054
Unallocated assets						13,184,704
Total assets						\$ 196,371,758
Segment liabilities	22,865,823	1,708,131	1,938,893	1,527,666	1,697,984	29,738,497
Unallocated liabilities						34,120,001
Total liabilities						\$ 63,858,498

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

Provision Suppliers Corporation Limited

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34. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (cont'd)

GROUP	CONSUMER AND INDUSTRIAL PRODUCTS \$	LEISURE AND RECREATIONAL \$	HEALTHCARE \$	PROPERTY DEVELOPMENT \$	HOTEL \$	CONSOLIDATED \$
NON-CASH EXPENSES						
2002						
Amortisation	-	-	-	-	-	-
Depreciation of and impairment loss on property, plant and equipment	2,223,625	296,474	141,604	685,950	1,043,645	4,391,298
	\$ 2,223,625	\$ 296,474	\$ 141,604	\$ 685,950	\$ 1,043,645	\$ 4,391,298
2001						
Amortisation	25,321	-	-	-	-	25,321
Depreciation of and impairment loss on property, plant and equipment	2,240,300	619,298	123,356	487,200	1,037,086	4,507,240
	\$ 2,265,621	\$ 619,298	\$ 123,356	\$ 487,200	\$ 1,037,086	\$ 4,532,651
CAPITAL EXPENDITURE						
2002						
Capital expenditure	\$ 1,955,745	\$ 4,872	\$ 61,962	\$ -	\$ 92,823	\$ 2,115,402
2001						
Capital expenditure	\$ 1,483,890	\$ -	\$ 394,527	\$ -	\$ 142,658	\$ 2,021,075

(b) Geographical Segments

	SINGAPORE \$	MALAYSIA \$	CHINA \$	AUSTRALIA \$	CONSOLIDATED \$
2002					
Total revenue	\$105,066,455	\$34,853,422	\$ -	\$15,209,748	\$155,129,625
Segment assets	\$ 93,574,260	\$36,678,493	\$2,887,649	\$32,777,355	\$165,917,757
Capital expenditure	\$ 1,438,240	\$ 579,467	\$ 4,872	\$ 92,823	\$ 2,115,402
2001					
Total revenue	\$122,568,114	\$23,919,109	\$ -	\$15,089,849	\$161,577,072
Segment assets	\$ 73,102,685	\$28,448,487	\$3,316,069	\$33,561,018	\$138,428,259
Capital expenditure	\$ 809,523	\$ 1,068,894	\$ -	\$ 142,658	\$ 2,021,075

ADDITIONAL INFORMATION

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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1. DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group:

Remuneration band:	No. of Directors	
	2002	2001
\$500,001 to \$750,000	3*	4
\$250,001 to \$500,000	1	0
\$250,000 and below	6	3
	10	7

* Two of the directors resigned during the financial year and the remaining director resigned on 1 February 2003.

2. PROPERTIES HELD BY THE GROUP

Description of properties held by the Group is as follows:

Location	Description	Tenure
348 Jalan Boon Lay, Singapore 619529	Two-storey warehouse with annexed office block used by the Group both for its operations and for rental income	60-year lease
348 Jalan Boon Lay, Singapore 619529	Single-storey factory used by a subsidiary for its operations	60-year lease
7 Tong Jiang Street Daoli District, Harbin, China	Hotel with club and restaurant facilities	15-year lease
116-120 North Terrace Adelaide South Australia	A 182 suite hotel constructed with a ground floor, 7 upper floors and a basement	Freehold
Lot MLO 1101, Kampong Bukit Kulai, Johor, Malaysia	Factory used by a subsidiary for its operations	Freehold
Lot 2537, Parit Abdul Rahman Benut, 82200 Pontian, Johor, Malaysia	Factories used by subsidiaries for their operations	Freehold

ADDITIONAL INFORMATION

for the year ended 31 December 2002

Provision Suppliers Corporation Limited

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2. PROPERTIES HELD BY THE GROUP (CONT'D)

Location	Description	Tenure
Lot MLO 1102 and 1103, Mukim of Sedenak, Kulai, Malaysia	Vacant land	Freehold
Lot 249, GPP 4841 Town Area XXI District of Melaka Tengah, Melaka, Malaysia	Vacant land	Freehold
GM 9382 Lot 2185 and GM 9383 Lot 2186 Kuala Kuantan, Malaysia	Vacant land	Freehold
Wilayah Pengembangan Sekupang Patam, Batam, Indonesia	Vacant land	30-year lease
PTD 63419 HSD 248337, PTD 63421 HSD 248339 and PTD 63422 HSD 248340 Mukim of Pulai District of Johore Bahru, Malaysia	Vacant land	Freehold

3. INTERESTED PERSON TRANSACTIONS

There are no interested person transactions entered into during the financial year.

4. MATERIAL CONTRACTS

There are no material contracts entered into between the Company and its subsidiaries involving the interests of the chief executive officer or each director of the Company during the financial year.

资产负债表

截至二零零二年十二月三十一日止
普威联营有限公司及其附属公司

Provisions Suppliers Corporation Limited

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		集团		公司	
	附注	2002 \$	2001 \$	2002 \$	2001 \$
非流动资产					
房屋及机器设备	3	57,691,506	59,863,113	9,734,920	9,478,973
投资子公司	4	-	-	23,204,181	23,205,184
投资联号公司	5	11,963,593	44,758,795	-	-
其它金融资产	6	11,556,414	12,994,620	2,994,620	12,994,620
商标权	7	-	-	-	-
递延税款资产	8	645,000	-	-	-
		81,856,513	117,616,528	35,933,721	45,678,777
流动资产					
其它金融资产	6	8,998,526	190,084	4,830,694	190,084
非金融资产	9	418,948	418,948	90,000	90,000
房地产有待开发	10	629,409	-	-	-
存货	11	17,205,357	16,911,800	11,719,514	10,457,417
应收账款及其它应收款	13	41,358,340	38,743,136	41,459,678	57,372,143
现金和现金等同物	18	48,614,197	22,491,262	28,666,558	17,325,079
		117,224,777	78,755,230	86,766,444	85,434,723
减：					
流动负债					
银行透支	18	1,143,400	2,010,401	-	89,812
应付账款及其它应付款	19	32,476,140	29,738,497	19,560,641	26,536,759
付息借货	20	10,656,715	27,765,064	94,883	328,152
应付当期税款		2,965,738	3,395,531	2,007,976	2,043,857
		47,241,993	62,909,493	21,663,500	28,998,580
净流动资产		69,982,784	15,845,737	65,102,944	56,436,143
扣除：					
非流动负债					
付息借货	20	22,213,906	559,255	-	31,633
递延税款负债	8	154,570	389,750	-	168,800
		22,368,476	949,005	-	200,433
		129,470,821	132,513,260	101,036,665	101,914,487
少数股东权益		(3,452,773)	(3,210,472)	-	-
净资产		\$126,018,048	\$129,302,788	\$101,036,665	\$101,914,487
资本	21	55,676,994	55,676,994	55,676,994	55,676,994
储备	22	70,341,054	73,625,794	45,359,671	46,237,493
		\$126,018,048	\$129,302,788	\$101,036,665	\$101,914,487

损益表

截至二零零二年十二月三十一日止
普威联营有限公司及其附属公司

Provisions Suppliers Corporation Limited

77:

		集团		公司	
	附注	2002 \$	2001 \$	2002 \$	2001 \$
收入	23	155,129,625	161,577,072	70,905,012	86,421,190
其它收入		4,424,679	3,458,354	12,648,423	10,897,430
		159,554,304	165,035,426	83,553,435	97,318,620
减：					
成品和承包作业中的存货变更		(172,521)	1,058,937	(1,374,097)	688,682
本期耗用原材料和低值易耗品		99,031,283	109,841,118	67,670,275	80,029,101
项目开发费用		12,918,936	4,689,733	-	-
人工		18,424,170	17,685,116	5,828,863	5,786,451
广告费用		3,870,833	6,335,130	2,133,383	3,308,520
折旧	3	3,705,348	4,020,040	816,774	816,259
房屋及机器设备损失	3	685,950	487,200	-	-
联号公司减值损失	5	680,000	-	-	-
上市金融资产市价减值损失		1,512,610	46,000	362,000	46,000
商标权摊销费用	8	-	25,321	-	-
呆帐准备：					
- 子公司（非贸易），净值	16	-	-	2,280,000	-
- 联号公司（非贸易）	17	100,000	-	-	-
其它经营费用		13,535,378	12,678,503	3,279,128	3,468,220
经营费用总计		154,291,987	156,867,098	80,996,326	94,143,233
营业盈利	24	5,262,317	8,168,328	2,557,109	3,175,387
财政成本	25	(2,351,486)	(2,229,157)	(8,103)	(8,135)
转售联号公司损失		(6,909,590)	-	-	-
联号公司盈利		2,445,805	3,729,911	-	-
经常性业务获得的税前利润		(1,552,954)	9,669,082	2,549,006	3,167,252
所得税	26	(1,945,500)	(3,218,561)	(1,255,426)	(824,200)
从经常性业务获得的税后利润		(3,498,454)	6,450,521	1,293,580	2,343,052
少数股东利润		(220,153)	(181,852)	-	-
本期净利		\$(3,718,607)	\$ 6,268,669	\$ 1,293,580	\$ 2,343,052
每股收益	27	(0.33 cents)	0.56 cents		

SHAREHOLDING STATISTICS

17 April 2003

Provision Suppliers Corporation Limited

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Authorised Share Capital : S\$100,000,000
 Issued and Fully Paid Capital : S\$55,676,994
 Class of Shares : Ordinary Shares of S\$0.05 each with equal voting rights

SUBSTANTIAL SHAREHOLDERS as at 17 April 2003

SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES HELD		SHAREHOLDING PERCENTAGE %
	DIRECT INTEREST	DEEMED INTEREST	
Dr Chan Kwok Keung, Charles	-	305,691,790	27.45
Chinaview International Limited	-	305,691,790	27.45
Galaxyway Investments Limited	-	305,691,790	27.45
ITC Corporation Limited	-	305,691,790	27.45
ITC Investment Holdings Limited	-	305,691,790	27.45
Mankar Assets Limited	-	305,691,790	27.45
Famex Investment Limited	-	305,691,790	27.45
Hanny Holdings Limited	-	305,691,790	27.45
Hanny Magnetix (B.V.I.) Limited	-	305,691,790	27.45
Rich Life Holdings Pte Ltd	305,691,790	-	27.45

DIRECTORS' SHAREHOLDING as at 21 January 2003

DIRECTOR	HOLDINGS IN THE NAME OF DIRECTORS OR IN WHICH DIRECTORS HAVE A DIRECT INTEREST	HOLDINGS IN WHICH THE DIRECTOR IS DEEMED TO HAVE AN INTEREST
Tan Ling San	7,375,875	-
Foo Der Rong	2,087,500	-
S Chandra Das	-	637,500

SHAREHOLDING STATISTICS

17 April 2003

Provision Suppliers Corporation Limited

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ANALYSIS OF SHAREHOLDINGS as at 17 April 2003

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	32	0.39	15,575	0.00
1,000 - 10,000	2,797	34.40	20,671,432	1.86
10,001 - 1,000,000	5,220	64.20	336,523,011	30.22
1,000,001 and above	82	1.01	756,329,857	67.92
	8,131	100.00	1,113,539,875	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 17 April 2003, 70.06% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

MAJOR SHAREHOLDERS LIST - TOP 20 as at 17 April 2003

NO.	NAME OF SHAREHOLDER	NO. OF SHARES HELD	%
1.	Rich Life Holdings Pte Ltd	190,691,790	17.12
2.	United Overseas Bank Nominees Pte Ltd	88,783,750	7.97
3.	Southern Nominees (S) Sdn. Bhd.	78,000,000	7.01
4.	DBS Nominees Pte Ltd	70,784,200	6.36
5.	Oversea-Chinese Bank Nominees Pte Ltd	32,944,250	2.96
6.	NTUC Fairprice Co-operative Ltd	25,000,000	2.25
7.	HL Bank Nominees (S) Pte Ltd	24,087,000	2.16
8.	Citibank Nominees Singapore Pte Ltd	23,641,500	2.12
9.	Raffles Nominees Pte Ltd	20,010,000	1.80
10.	Kim Eng Ong Asia Securities Pte Ltd	18,066,000	1.62
11.	Chong Ah Kau @ Chong Kar Kee	9,450,607	0.85
12.	Tan Ling San	7,375,875	0.66
13.	Hock Tong Bee Pte Ltd	6,789,750	0.61
14.	Phillip Securities Pte Ltd	6,686,795	0.60
15.	Tan Ze Hee	6,475,816	0.58
16.	Tan Koon Poh	5,737,850	0.52
17.	Ong Lay Chong	4,930,250	0.44
18.	Overseas Union Bank Nominees Pte Ltd	4,570,000	0.41
19.	Teo Piak Lim	4,415,400	0.40
20.	OCBC Securities Private Ltd	4,153,000	0.37
		632,593,833	56.81

NOTICE OF ANNUAL GENERAL MEETING

PROVISIONS SUPPLIERS CORPORATION LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

Provision Suppliers Corporation Limited
80:

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of Provisions Suppliers Corporation Limited will be held at 348 Jalan Boon Lay Singapore 619529 on Friday, 30 May 2003 at 11:00 a.m. to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31 December 2002 and the Auditors' Report thereon. [Resolution 1]
2. To declare a Final and a Special Dividend of 0.25 cents and 0.15 cents per share, respectively, less 22% income tax for the year ended 31 December 2002. [Resolution 2]
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association :-
 - (a) Mr Tao Yeoh Chi [Resolution 3(a)]
 - (b) Mr Allan Yap [Resolution 3(b)]
 - (c) Mr Chan Yeuk Wai [Resolution 3(c)]
 - (d) Mr Richard Lui Siu Tsuen [Resolution 3(d)]
 - (e) Mr Chua Keng Hiang [Resolution 3(e)]

Note: Mr Tao Yeoh Chi and Mr Chua Keng Hiang will, upon re-election as Directors of the Company, remain as members of the Audit Committee and will be considered independent directors.

4. To re-appoint KPMG as Auditors and to authorise the Directors to fix their remuneration. [Resolution 4]

AS SPECIAL BUSINESS

5. To approve the payment of Directors' Fees of S\$308,335/- for the year ended 31 December 2002 (2001 : S\$190,000/-). [Resolution 5]
6. To consider and, if thought fit, to pass the following resolution with or without amendments as ordinary resolution:- [Resolution 6]

"That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Act") and the listing rules of The Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to issue ordinary shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that:-

- (a) the aggregate number of ordinary shares to be issued pursuant to this Resolution does not exceed 50 per cent (50%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of ordinary shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent (20%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of ordinary shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time of this Resolution is passed, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options on issue at the time this Resolution is passed; and
 - (ii) any subsequent consolidation or subdivision of shares; and
- (c) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

And to transact any other business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

PROVISIONS SUPPLIERS CORPORATION LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

Provision Suppliers Corporation Limited
81:

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 9 June 2003, for the purpose of determining the Members' entitlements to the dividends to be proposed at the Annual General Meeting of the Company to be held on 30 May 2003.

Duly completed registered transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on 6 June 2003 by the Company's Share Registrar, M & C Services Private Limited, will be registered to determine Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on 6 June 2003 will be entitled to such proposed dividends.

The proposed dividends, if approved at the Annual General Meeting, will be paid on 19 June 2003.

BY ORDER OF THE BOARD

ROBSON LEE TECK LENG
BOON CHUAN BOK

Company Secretaries

6 May 2003

Singapore

NOTES :-

- 1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead.
- 2) A proxy need not be a member of the Company.
- 3) The instrument appointing a proxy shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
- 4) The instrument appointing a proxy, must be deposited at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

EXPLANATORY NOTES:-

- 1) The above item 5, if approved, will sanction the payment of Directors' Fees for the year ended 31 December 2002.
- 2) Resolution 6, if passed, is to empower the Directors to issue ordinary shares in the capital of the Company up to an amount not exceeding in total 50 per cent (50%) of the issued ordinary share capital of the Company with a sub-limit of 20 per cent (20%) of shares issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of ordinary shares that may be issued, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options on issue at the time that Resolution 6 is passed, and (b) any subsequent consolidation or subdivision of shares.

股东常年大会通告

普威联营有限公司
(在新加坡共和国注册)

Provisions Suppliers Corporation Limited

82:

本公司第二十九届股东常年大会将于二零零三年五月三十日，星期五，上午十一时正，于新加坡邮区六一九五二九，惹兰文礼三四八号举行，主要议程如下：

普通事项

- 一．接纳截至二零零二年十二月三十一日止会计年度董事及财务报告。 [决议案一]
- 二．宣布分发截至二零零二年十二月三十一日止会计年度之年终股息每股0.25分以及特别股息每股0.15分(扣除所得税22%)。 [决议案二]
- 三．重选以下根据公司章程退休的董事：
 - (甲) 陶耀建先生 [决议案三 (甲)]
 - (乙) Allan Yap先生 [决议案三 (乙)]
 - (丙) 陈若偉先生 [决议案三 (丙)]
 - (丁) 呂兆泉先生 [决议案三 (丁)]
 - (戊) 蔡敬賢先生 [决议案三 (戊)]

附注：陶耀建先生和蔡敬賢先生在重选成为本公司董事后，仍为审计委员会的成员，且应视为独立董事。

- 四．再次委任 KPMG 会计公司为审计师，并授权董事会决定其酬劳金。 [决议案四]

特别项目

- 五．批准截至二零零二年十二月三十一日止会计年度之董事酬劳金S\$308,335 (2001年：S\$190,000)。 [决议案五]
- 六．经仔细考量且如适当情况之下，将通过下列普通修正决议案或无修正决议案： [决议案六]

根据公司法第五十章第一六一节及新加坡证券交易所之上市规定，特此授权董事会在其认为适当之情况下，于任何时候按议题之条款裁决向合适人士核发公司普通股份（不管是以认股权、红利或其它的方式核发），其条件如下：

- (甲) 按本决议将核发普通股份之总额不得超过公司现有已核发股份资本的百分之五十（依下节乙计算），其中若非按比例向公司股东核发股份者，则将核发普通股份之总额不得超过公司现有已核发股份资本的百分之二十。（依下节乙计算）
- (乙) 按新加坡证券交易所所示之计算方式，为裁决上节甲将核发普通股份之总额，现有已核发股份资本之比例应在调整以下股份之后，根据在本决议通过时公司现有已核发的股份为准：
 - (1) 在本决议案通过之际，待发行的可兑换证券或任选股权在转换或执行所产生的新股份；以及
 - (2) 任何后续的股份合并或再分股份；以及
- (丙) 按本决议所赋予之授权除非在公司股东大会上遭撤销或修改，否则应持续有效至下届股东常年大会或依法律要求召开之下届股东常年大会（以较早者为准）日期为止。

适合提交股东常年大会处理之其它事务

股东常年大会通告

普威联营有限公司
(在新加坡共和国注册)

Provisions Suppliers Corporation Limited

83:

登记截止日期通告

为将股东股息权利之裁定列入二零零三年五月三十日召开的股东常年大会的议题，本公司股东的股票转让将于二零零三年六月九日截止登记注册。

本公司股票注册处M&C服务私人有限公司，截至二零零三年六月六日营业时间下午五时止，所受理有关本公司股票之完成登记转让将予以登记，以裁定股东应享之股息权利。股东在 Central Depository 私人有限公司的证券帐户，若于二零零三年六月六日下午五时前是以本公司股份记账，则亦享有该提案股息。

该提案股息如在股东常年大会上通过，则将于二零零三年六月十九日发放支付。

承董事会令

公司秘书
李德龍
文傳百 谨启
二零零三年五月六日
于新加坡

附注：

- 一． 每位有权参加股东大会及投票之股东，得以委派一名代表代其出席投票。
- 二． 股东代表无须为本公司股东。
- 三． 股东代表委派书，若为个人名义，须由委派股东或其律师签署；若为公司名义，则必须加盖公司印章或由公司代表之律师或主管签署。
- 四． 股东代表委派书须于股东大会召开前四十八小时送交本公司注册办公室（新加坡邮区六一九五二九，惹兰文礼三四八号），方为有效。

特别事项附注：

- 一． 上述第五项之决议如有通过，将批准截至二零零二年十二月三十一日止会计年度之董事酬劳金。
- 二． 决议案六如有通过，将授权董事会向股东核发公司资本中的普通股份之总额最多不得超过公司现有已核发股份资本的百分之五十，且若非按比例核发者，则不得超过百分之二十。为裁决普通股份的核发总数，已核发的股份资本比例必须在（甲）调整任何于决议案六通过时，待发行的可兑换证券或任选股权在转换或执行所产生的新股份，或在（乙）调整任何后续的股份合并或再分股份之后，根据决议案六通过时已核发的公司股份资本为准。

(所有译文以英文为准)

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PROXY FORM - ANNUAL GENERAL MEETING

PROVISIONS SUPPLIERS CORPORATION LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

I/We _____
of _____
being a member/members of PROVISIONS SUPPLIERS CORPORATION LIMITED
hereby appoint

IMPORTANT:

1. For investors who have used their CPF monies to buy Provisions Suppliers Corporation Limited shares, this Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Twenty-Ninth Annual General Meeting of PROVISIONS SUPPLIERS CORPORATION LIMITED to be held at 348, Jalan Boon Lay, Singapore 619529 on Friday, 30 May 2003 at 11:00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	ORDINARY BUSINESS :		
1.	Adoption of Reports and Accounts		
2.	Declaration of Final and Special Dividends		
3.	Re-election of Directors :		
	(a) Mr Tao Yeoh Chi		
	(b) Mr Allan Yap		
	(c) Mr Chan Yeuk Wai		
	(d) Mr Richard Liu Siu Tsuen		
	(e) Mr Chua Keng Hiang		
4.	Re-appointment of Auditors		
	SPECIAL BUSINESS :		
5.	Approval of Directors' Fees		
6.	Authority for Directors to issue shares		

Dated this _____ day of _____ 2003.

Signature(s) of member(s) or Common Seal

Total Number of Shares Held:

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM - ANNUAL GENERAL MEETING

PROVISIONS SUPPLIERS CORPORATION LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

NOTES :-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies, whether a member or not, to attend and vote instead of him.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529, not less than forty-eight (48) hours before the time appointed for the Twenty-Ninth Annual General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Twenty-Ninth Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Twenty-Ninth Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



普威联营有限公司

PROVISIONS SUPPLIERS CORPORATION LIMITED

348 Jalan Boon Lay Singapore 619529

Telephone: 6268 4822 Facsimile: 6266 2606/7

Email: enquiries@psc.com.sg