

为您体现优质生活

FOR YOUR LIVING ESSENTIALS



CONSUMER ESSENTIALS

STRATEGIC INVESTMENTS

PSC's two business clusters reflect the corporation's strategic direction and focus as the Leading Consumer Essentials Group.

It is through these two clusters that the corporation will grow the PSC business through mergers and acquisitions as well as organic growth.

+ Consumer Essentials

PSC Consumer Essentials provides living essential products and services to the modern consumer. Your family can sit back and enjoy the quality of life because through the years PSC has been there for you. You can continue to count on PSC as we are committed to grow with you, ensuring that our range of goods and services evolves in tandem to meet your needs now and in the future.



+ Strategic Investments

PSC Strategic Investments focuses on generating value and financial asset capabilities by investing in promising enterprises, which are industry champions in their respective markets. Your investments are in safe hands because with every move, PSC tactically fulfills its mission to build strong partnerships, grow new markets, build strong financial capabilities and achieve operational excellence.



+ Vision

To be a multi-faceted
consumer essentials
company with strategic
investments in the region



Dr Allan Yap
Executive Chairman

+ Executive Chairman's Message

Dear Valued Shareholders

We began 2006 with a vision to take the PSC Group on to greater heights. To ensure that the Group maintains a competitive edge in the ever-evolving business climate, PSC has embarked on numerous initiatives to create a strong foundation for the enhancement of our brand status both locally and internationally.

I am pleased to say that the Group and all our employees embraced the measures necessary to ensure our continued success and enhance shareholder returns in 2006. As a result, our turnover increased from \$169.79 million to \$228.54 million. This significant improvement was attributable to the higher turnover across all the business segments of Consumer Essentials and the full year impact of consolidating the results of Tat Seng Packaging Group Ltd acquired in October 2005. Promotional activities and new marketing initiatives, coupled with our established distribution networks continued to contribute positively to the increase in turnover in local and international markets.

PSC - The Leader in Consumer Essentials

The year 2006 marked the dawn of a new era for the Group. The Group has embarked on an exciting re-branding and repositioning exercise in order to remain abreast of the ever-changing consumer's needs.

With a humble beginning dating back from 17 May 1974, the Group has grown to become a reputed household name as Singapore's leading consumer essentials company, committed to providing for the daily needs of consumers. As living standards of consumers evolve with society's changing affluence, the Group has likewise transformed itself in tandem by staying relevant to them. Today, the Group is positioned as an up and coming pan-Asian "Consumer Essentials Group", well-equipped to provide living essentials for the consumer of today and in the future.

This transition of PSC has reinforced our strength, commitment and differentiation as the leader in providing consumer essentials. Reflected in our tagline "For Your Living Essentials", PSC will continue to provide the living essential needs of the modern consumer across the region. The definition of the term 'Consumer Essentials' continues to expand with society's increasing affluence and provides an opportunity for the Group to include other service offerings in the future; hence it gives the Group the flexibility to grow with economic times.

Re-positioning PSC is part of the process that prepares the Group for its present and future challenges. Our position as "The Leader in Consumer Essentials" enhances our competitive edge in being the leader in both current and potential markets.

Even with the re-positioned brand, we continue to maintain and operate by our brand values of innovativeness, dependability, passion and leadership confidence. These values when lived aloud, delivers the PSC Brand. We believe that with a more focused brand, we will be able to concentrate our resources to enhance our business in the consumer essentials field. This revitalised PSC brand has added focus and clarity to the strategic directions of the brand.

PSC's two business clusters reflect the Group's strategic direction and focus as the leader in Consumer Essentials, and it is through these two clusters that the Group will grow the PSC business through mergers and acquisitions as well as organic growth.

Our core business – Consumer Essentials – focuses on providing living essential products and services to the modern consumer. It comprises of a comprehensive portfolio of commercial entities involved in the manufacturing of FMCG products, FMCG brand management and marketing, franchise management, health solutions, media education and entertainment. Through this

cluster, we are fully equipped to meet the increasingly sophisticated variety of consumers' living essential needs.

With a more focused brand, the Group is now in an excellent position to face the increasingly challenging business environment and benefit from our efforts to further strengthen our value change. Under the Consumer Essentials core business, the health solutions segment continues to serve as an important driver of future growth for the Group. The booming Asian population, higher life expectancies, rising affluence and opening up of new markets such as China are factors that has boosted demand for healthcare in the region. With an established foothold in the Philippines, Thailand, Indonesia, Vietnam, Australia, China and Malaysia, we will strive to expand the healthcare business into the potentially lucrative Middle East market where there is a demand for high quality healthcare facilities. In all, Consumer Essentials has shown an increase in turnover of 7.2% in 2006 from 2005.

The Group's secondary business cluster – Strategic Investments – focuses on generating value by applying our financial asset

capabilities to invest in promising enterprises that are industry champions in their respective markets.

In addition, the Group is looking into increasing its involvement in strategic investments to generate greater financial value for the Group. This serves to fulfill our financial objectives and deliver capital appreciation to our shareholders.

As we face another exciting year, we recognise the importance of prudence and good governance and our Directors will proceed with due consideration for their responsibilities to our shareholders.

Acknowledgements

Finally, I would like to take this opportunity to thank all our valued shareholders for their ceaseless support. Let me also extend my appreciation to our Principals, Business Partners and Customers. Last but not least, our Board of Directors, Management team and Staff have my deepest gratitude for yet another year of dedicated and diligent service.

Dr Allan Yap
Executive Chairman



执行董事主席致辞

亲爱的股东们:

在2006年初我们制定了带领普威集团攀上新高峰的战略目标。为了让集团在日益变化的商业环境中保持竞争优势，普威集团着手于多项行动，从而为提高品牌的国内外地位奠下扎实的基础。

在此我很高兴地告诉大家，通过集团和全体员工的共同努力，我们在2006年得以继续获得成功并提高股东收益。我们的营业额从1.6979亿新元增加到2.2854亿新元。这个显著增长归功于民生必需品领域的营业额有了全面而明显的增加，以及2005年10月集团成功收购达成包装集团 (Tat Seng Packaging Group Ltd)并将其业绩纳入集团全年业绩。多样的促销活动和全新的营销措施，并同我们所拥有的庞大销售网络也相继为增加国内外市场的营业额做出积极的贡献。

普威集团- 优质生活的体现

2006年集团面临一个新时代的到来。为了满足日益变化的消费者需求，集团进行了品牌重塑与重新定位。

集团于1974年5月17日创立以来，一直致力于为消费者提供日常必需品，现已由一家寂寂无闻的公司发展成为本地家喻户晓、首屈一指的民生必需品公司。有鉴于消费者生活水平的日益富裕，

普威将紧随时代步伐并始终如一日地贴合消费者需求。普威将定位成 "为广大客户提供优质生活品质" 的集团。

普威集团的成功转型增强了我们的实力，信守了对消费者的承诺并确立了在民生必需品领域的主导地位。秉持着 "为您提供优质生活必需品" 的宗旨，普威集团将继续在本地区为消费者提供优质生活用品。随着社会的日益富裕，"民生必需品" 的定义也将不断扩大，令普威集团有机会介入其它相关服务，从而使集团持续发展。

普威集团的重新定位是公司迎接现在和挑战未来而必不可少的一环。"提供优质生活" 的集团定位，将巩固我们作为现今和潜在市场中领导者的竞争优势。

尽管集团将品牌重新定位，我们仍将继续保持和发扬一贯以来创新，可靠，热忱和自信领导而著称的品牌价值观。只要充分体现这些价值观，普威的品牌就能发扬光大。我们深信采用一个更明确的品牌定位将能把我们的资源整合起来，从而加强在民生必需品领域里的业务。这个再获新生的普威品牌将为其品牌的策略指出更为突出而清晰的方向。

普威集团的两大业务群组反映了集团以民生必需品为主导的策略方针和重点。集团正是通过这两

大业务群组，以合并、收购的方式以及自身发展来扩张普威集团的业务。

我们的核心业务 – 民生必需品 – 专注于为消费者提供生活必需品和服务。它包括从事消耗品的生产、品牌管理和营销、特许经营权管理、保健、媒体教育和娱乐产业的全方面综合业务。通过这一群组的业务，我们完全有能力满足日益复杂化的消费需求。

有了明确的品牌，集团能够在越来越富挑战性的商业环境中拥有强大的优势，并且能从价值观的转变和深化中受益。从属于民生必需品这一核心业务下的保健领域将是集团未来发展的重要推动力量。随着亚洲人口的日益增加、预期寿命的延长，中国等新兴市场的日益富裕和开放，都将是促进本地区保健业需求的主要因素。我们在菲律宾、泰国、印尼、越南、澳洲、中国和马来西亚都已站稳脚跟，接下来我们的目标是努力把保健业务扩大至对优质保健设备有庞大需求的中东市场。整体而言，2006年民生必需品的营业额比2005年增加了7.2%。

集团的第二个业务群组 – 策略性投资 – 的重点是，凭借我们集团的金融资产实力来寻求投资项目。投资于具有潜力并且在其相应市场中处于行业领先地位的企业，从而创造超值收益。

另外，集团也将更积极的进行策略性投资，以便为集团创造更大的价值。这有助于实现我们的财政目标，并向股东提供资本增值回报。

在迎来另一个令人鼓舞的年头时，我们认识到谨慎和完善管理的重要性，在公司的经营过程中，我们的董事们也会充分考虑对股东的应尽责任。

致谢

最后，我想借此机会感谢所有股东始终如一地给予我们大力的支持。我也要真诚地感谢我们的代理委托商、商业伙伴以及客户；更要感谢我们的董事会、管理团队和全体员工这一年来兢兢业业的辛勤服务和不懈努力，他们始终是普威最宝贵的财富和永续发展的动力。

Dr Allan Yap 博士
执行董事主席

+ Mission

Building strong partnerships,
growing new markets

Fostering an open and
creative culture, attracting
and nurturing talent

Providing innovative products,
portfolio building, meeting
stakeholders' needs

Achieving operational
excellence

Building strong
financial capabilities



Mr Foo Der Rong
Managing Director & CEO

+ Managing Director & CEO's Message

Dear Valued Shareholders

2006 was a threshold year for the Group. Dynamic market conditions dictated a new branding strategy and even greater operational efficiency. These actions have positioned us well for future market forays.

Financial Review

The Group turnover reached \$228.54 million in 2006, an increase of 34.6% compared to \$169.79 million in the previous financial year. The higher turnover from all the business segments of Consumer Essentials and the inclusion of the full year's results of Tat Seng Packaging Group Ltd, acquired in October 2005, contributed to the better performance.

In line with the higher turnover, the gross profit for 2006 improved by 36% from \$39.28 million in 2005 to \$53.42 million. Increase in distribution expenses from \$21.56 million in 2005 to \$25.09 million in 2006, and similar increase in administrative expenditure to \$23.50 million from \$19.00 million in 2005 were due to the annualising of these costs from Tat Seng group compared to three months' expenditure for 2005.

In 2005, the other operating income of the Group was enhanced by the income recognition of negative goodwill of \$7.92 million that arose from the acquisition of Tat Seng group. The improved performance of the Consumer Essentials and the operating contributions from business, coupled with the full year results of the Tat Seng group, lifted the operating profit after finance income to \$6.98 million for 2006. As a result, the operating profit was lower by only \$2.08 million compared to 2005's profits of \$9.06 million which included the negative goodwill recognised.

The Group's share of profit after tax of associates improved to \$5.20 million in 2006 from \$4.75 million in 2005. The better associates' results were primarily due to the improved performance of Intraco Ltd and our healthcare associate in Australia.

The Group's profit before tax in 2006 was \$12.17 million compared to \$13.81 million in the previous year. The net profit for 2006 was \$10.54 million, which was lower than 2005's profits of \$11.25 million by 6.3%. The net attributable profit to shareholders for 2006 was \$8.72 million compared to \$10.65 million profit recorded for 2005.

Business Review

The Group is ever conscious of the need to seize new opportunities and continuously rationalise and enhance our core business hence the move towards a more focused direction with the restructuring of our businesses into two main clusters. These two business clusters reflect the

corporation's strategic direction and focus as "The Leader in Consumer Essentials" and give an insight of our secondary business cluster of strategic investments. In doing so, we are confident in facing the challenges of the business environment in 2007 and beyond.

Consumer Essentials

Despite keen competition from other players in the market, our businesses in Consumer Essentials increased its turnover by 7.2%. The business continued to expand its manufacturing capacity to expand the range of products. It also reaped the benefits of new agencies acquired in previous years.

Concurrent with our regional growth, we continued our efforts to enhance PSC Group's presence in Singapore. This year, the Group was honoured with three Superbrand awards namely, iEcon, Royal Umbrella Rice, and Beautex Tissue. These Superbrand awards indicate Singaporean consumers' confidence in and support of our products and services.

In our regional healthcare businesses, the Group made excellent progress. Health Solutions Group broke new ground in Libya when it won a 3-year facility maintenance contract to provide comprehensive maintenance services to the Tripoli Medical Centre. Riding on the wave of Asian economic growth and the trend of health institutions' capacity expansion, the Group rapidly gained strong standing. The hospitals under the management of Health Solutions witnessed increased productivity and profits. Health Solutions, as part of a Consortium, was

awarded an Asian Development Bank (ADB) regional technical assistance (RETA), which involves the strengthening of epidemiological surveillance and response systems for communicable diseases in three Asian countries (Indonesia, Malaysia and the Philippines). The Consortium not only won the bid but also emerged as the only qualified party for the implementation of RETA.

Health Solutions started the renovation works for the 'Integrated Wellness Resort' in Bangkok, Thailand with expected completion by 2009. The project will be the first ever built medical retreat in Thailand catering to both local and international medical tourists. Ordinary tourists who wish to enjoy a peaceful retreat in serene surroundings in the midst of a bustling city are also catered for.

With operations in Singapore, Malaysia, Taiwan and Hong Kong, the InnoForm Group is a major contributor to the media education and entertainment industry. Apart from its core business in video distribution, InnoForm Media Pte Ltd has since June 2006, ventured into movie production, and established its standing in the industry with the production and distribution of the Sawasdee brand, its first collection of Thai films. We can look forward to the release of more movies in 2007, such as *"Just Follow Law"*, directed and produced by Jack Neo and J Team Productions, and *"Men in White"*, directed by Kelvin Tong. InnoKidz was launched in December 2006 to distinguish itself from the wide array of InnoForm products with children bestsellers such as *"Hi 5"* and

"Strawberry Shortcake". InnoForm Media also secured the rights in 2006 to distribute the comical animation *"Pocoyo and Friends"*.

The outlook for the year ahead is favourable. Besides strengthening the existing distribution network, the Group is actively improving its manufacturing capability to produce high quality products and is continuously sourcing for new agency brands to meet the changing demands of increasingly sophisticated customers. In the healthcare business, the Group will capitalise on its proven track record to seek further development efforts beyond Asia. InnoForm Media will continue to seek expansion of product coverage by marketing popular drama serials in the region and to explore new initiatives such as venturing into movie production by collaborating with established local producers.

Strategic Investments

The acquisition of Hefei Dansun Packaging Co Ltd in China by Tat Seng Packaging Group Ltd resulted in significant expansion of our packaging business. The business synergies will allow Tat Seng Group greater bulk purchase discount for raw materials that will result in lower raw materials costs. This will further strengthen the Group's presence in China with greater access to a huge customer base.

PSC Investment Pte Ltd acquired a 20% shareholding in Hangzhou Youcan E-Distribution Network Company Limited to further strengthen our presence in China. The

company is involved in the distribution of fast moving consumer products (food and toiletries) through various modes including phone and web-based distribution services.

Over the short and medium term, the Group will continue to grow through smart strategic investments in new businesses and markets.

Employee and Community Relations

In line with the government's call for a healthy and balanced work-life and our mission to foster an open and creative culture to attract and nurture talent, the Group set up a WorkPlace Health and Safety Committee to improve the overall well-being of the entire organisation.

I am pleased to announce that we were awarded the Singapore Health Award (Bronze) for our efforts. As contributions to our society, PSC Group has sponsored several major community-related events including National Day Parade 2006, National Street Soccer League and the SGX Bull Run.

Conclusion

Integral to our success are our staff, customers, suppliers, financial associates and shareholders. Without them, we will not be able to achieve growth in 2006. Your relentless continued support is crucial to our future endeavours and long-term success.

Mr Foo Der Rong
Managing Director & CEO



董事经理兼总裁致词

亲爱的股东们:

2006年对本集团而言是一个新的起点。面对激烈的市场竞争,我们采取了新的品牌策略并立足于经营效率的提高,为迎接未来的挑战做好了充分准备。

财政回顾

集团在2006年的营业额达到2.2854亿新元,与上一财政年度的1.6979亿新元相比增加了34.6%。这归功于民生必需品业务的持续扩展以及2005年10月对达成包装集团(Tat Seng Packaging Group Ltd)的成功收购。

集团的毛利总额由2005年的3928万新元增加到2006年5342万新元,增幅达36%。此外,分销费用由2005年的2156万新元增加到2006年的2509万新元,行政费用则由2005年的1900万新元增加到2350万新元。其主要原因是2005年仅仅包含达成集团3个月的支出,而2006年则是整年的支出。

2005年集团其他营业收入的提升主要是由于收购达成集团的792万新元负商誉而认列的收入。2006年,借助民生必需品相关业绩的改善、经营收益以及达成集团的全年业绩,集团财政收入后的营业盈利提升到698万新元,与2005年的906万新元(包含认列负商誉的792万新元)相比仅降低了208万新元。

集团联营公司所分得的税后盈利由2005年的475万新元增加到2006年的520万新元。联营公司的盈利增长主要是由于国际贸易有限公司和在澳洲的保健联营公司的业绩增加。

集团2006年的税前盈利为1217万新元,而上一年度则为1381万新元。2006年的净盈利为1054万新元,与2005年的1125万新元相比降低了6.3%。2006年的股东可归属净盈利为872万新元,而2005年则为1065万新元。

经营状况回顾

集团一直以来都切实把握机遇来优化和整合我们的核心业务,以实现理性发展,持续发展的目标。2006年,我们将业务重组为两大主要群组。这两大业务群组的划分反映了公司以"提供优质生活必需品"为主并兼顾策略性投资的发展方向。以此为基础,我们有信心面对2007年以及未来商业竞争的挑战。

民生必需品

尽管面对其它公司的激烈竞争,集团在民生必需品领域的营业额仍然增加了7.2%。其主要增长点在于公司不断扩大的产品范围和新代理权的获利。

在保持本地区发展的同时,我们也继续加强普威在新加坡的业务。2006年集团获颁了3个"超级品牌"

奖，即 i 宜康 (iEcon)、皇族安培娜香米和 Beautex 纸巾。这些超级品牌奖反映了新加坡消费者对我们产品和服务的信心。

集团在本地区的保健业务中也取得了长足进展。保健集团 (Health Solutions Group) 开辟了利比亚市场并赢得了黎波里医疗中心三年的设备维护合同。保健集团管理的医院均实现了优质高效型发展并创造了新的盈利纪录。

保健集团所在的国际财团赢得了亚洲开发银行 (ADB) 的地区技术协助 (RETA) 计划。这项协助包括加强三个亚洲国家 (印尼、马来西亚和菲律宾) 对传染病流行的监视和反应。该国际财团不但赢得投标，而且成为唯一有资格实施 RETA 的一方。

保健集团在泰国曼谷的 "综合健康度假村" 项目已经装修，预计于2009年完工。这一项目将是泰国有史以来第一个为当地和国际游客服务的医疗胜地，同时也将吸引那些希望在喧嚣的城市中享受平静休养的普通游客。

新格集团 (InnoForm Group) 在新加坡、马来西亚、台湾和香港的媒体教育和娱乐业中举足轻重。除录像分销的核心业务外，新格媒体私人有限公司 (InnoForm Media Pte Ltd) 还从2006年6月起进军电影制作市场，制作和分销以 Sawasdee 作为品牌的第一辑泰国电影。我们期待在2007年发行更多的电影，例如梁智强和 J Team Productions 执导和制作的 "我在政府部门的日子 (Just Follow Law)"，

以及由唐永健执导的 "鬼啊鬼啊"。InnoKidz 于2006年12月成立，主要分销 "Hi 5" 和 "Strawberry Shortcake" 等儿童畅销作品。新格媒体还在2006年获得喜剧动画片 "Pocoyo and Friends" 的分销权。

集团下一年的前景良好。除了扩展现有的销售网络以外，集团正在积极提高生产管理能力，并继续寻找新的代理品牌，以满足日趋复杂的顾客需求。在保健业务中，集团将在以往业绩的基础上，再接再厉，把业务推广到亚洲以外的地区。新格媒体将通过在本地区营销受欢迎的连续剧作品来继续扩大产品范围，并通过与本地著名制片人合作来进军电影制作行业。

策略性投资

达成包装集团在中国成功收购合肥丹盛包装公司 (Hefei Dansun Packaging Co Ltd)，使我们的包装业务显著扩大。其产生的规模化效应将使达成集团在批量采购原材料时获得更大的折扣，从而降低原材料成本。这将更进一步加强集团在中国的业务发展，更加贴近庞大的顾客群。

PSC 投资私人有限公司收购了杭州佑康电子商务网络有限公司 (Hangzhou Youcan E-Distribution Network Co Ltd) 20% 的股权，更进一步地加强了在中国的业务。这家公司又开拓了电话和网络分销服务，以从事消耗品 (食品和洗洁护理产品) 的分销。

就中短期而言，集团将继续着眼于新业务和新市场的策略性投资从而获益。

雇员关系和社区关系

为了积极响应政府 "健康和协调的工作-生活" 的号召, 集团成立了职场健康与安全委员会, 同时也培养了一种开放和富有创新精神的公司文化, 以改善公司的整体健康水平。在此我很高兴向大家宣布, 我们的共同努力使我们荣获了 "新加坡健康奖 (Singapore Health Award)" (铜牌)。与此同时, 我们也不忘回馈社会, PSC集团赞助了多项重要社区活动, 其中包括2006年国庆庆典、全国街道足球联赛、新加坡股票交易所举办的赛跑活动等等。

总结

普威今日的成功离不开我们的全体员工、客户、供应商、财政联营公司和股东。如果没有他们, 我们就不可能在2006年取得良好成绩。同样的, 您坚持不懈的大力支持永远是我们日后发展和长期成功的强劲动力。

符德荣
董事经理兼总裁



Going the Extra Mile to Exceed Expectations

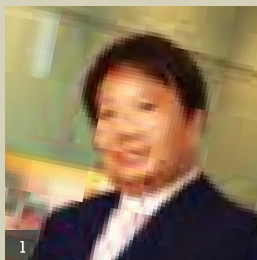
We let our ideas take
flight and let them soar
beyond our limits.

A person is operating a forklift in a warehouse, moving large cardboard boxes. The person is wearing a red shirt and is looking towards the camera. The forklift is lifting a large stack of cardboard boxes. The background shows the warehouse structure with metal beams and lights.

Responsible & Accountable

We can be counted
on and we never fail
in delivering what is
expected of us.

+ Board of Directors



1

1. DR ALLAN YAP
Executive Chairman

Dr Yap joined PSC Corporation Ltd in September 2002 and was appointed Executive Chairman in February 2003. He has over 24 years of experience in finance, investment and banking. Dr Yap is the Executive Chairman of Intraco Limited and Tat Seng Packaging Group Ltd. He is an Executive Director of Wing On Travel (Holdings) Limited and the Managing Director of Hanny Holdings Limited, all of which are Hong Kong-listed companies. He is also the Chairman and a Director of MRI Holdings Limited, an Australia-listed company and the Chairman, CEO and Director of China Enterprises Limited, a company whose shares are traded on the OTC Bulletin Board in the United States of America. Dr Yap is the Chairman of Burcon NutraScience Corporation, a Canada-listed and Germany-listed company. He received an Honorary Degree of Doctor of Law from the University of Victoria, Canada.



2

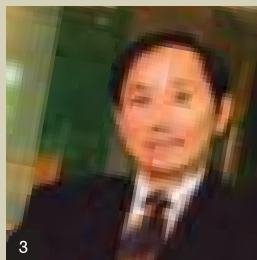
2. MR FOO DER RONG
Managing Director and
Chief Executive Officer

Mr Foo graduated with a Bachelor of Commerce from Nanyang University and has been with PSC Corporation Ltd for the past 25 years. He is the Executive Director of Intraco Limited and Tat Seng Packaging Group Ltd. He is also the Independent Director and Chairman of the Nominating Committee of Sino Techfibre Limited and an Independent Director of China Farm Equipment Limited.

Mr Foo has a wealth of experience and knowledge in business development, corporate restructuring, investment strategies and operations management in the FMCG, service and manufacturing industries.

3. DR JOHN CHEN SEOW PHUN
Deputy Chairman /
Non-Executive Director

Dr Chen sits on the Board of a number of public listed companies. He served



3

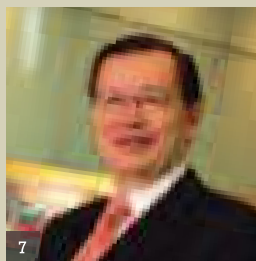
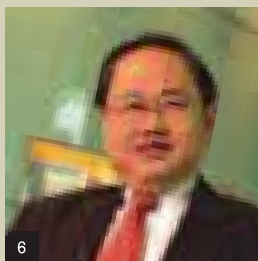
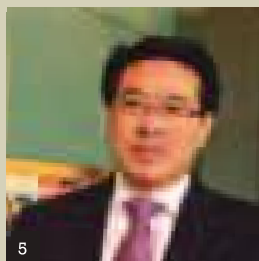


4

4. MR RICHARD LUI SIU TSUEN
Executive Director

as the Assistant Secretary General of the National Trades Union Congress from 1991 to 1997. He was a Minister of State from 1997 to 2001. He is presently the Managing Director of JCL Business Development Pte Ltd, and the Chairman of SAC Capital Private Limited. Dr Chen has been a Board member of the Economic Development Board, the Housing & Development Board, the Port of Singapore Authority and Singapore Power Ltd.

Mr Lui is a qualified accountant and has more than 26 years of experience in accounting, financial and corporate management. He has held senior financial positions in an international accounting firm and various private and public listed companies. Mr Lui is currently the Deputy Managing Director of Hanny Holdings Limited. He is also an Executive Director of Wing On Travel (Holdings) Limited which is a Hong Kong-listed company.



5. MR CHEE TECK KWONG PATRICK
Non-Executive Director /
Independent Director

Mr Chee, PBM has been an Independent Director of PSC Corporation Ltd since 1980 and is the current Audit Committee Chairman. Mr Chee holds a Bachelor of Law (Hons) Degree from the University of Singapore.

He was admitted as an advocate and solicitor of Supreme Court of Singapore in 1981 and has since been in private legal practice. He was the Managing Partner of Chee & Teo Advocates and Solicitors. In July 2006, he merged his practice with Peter Low Partnership Advocates and Solicitors.

Mr Chee is a notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators, Singapore Institute of Directors and Singapore Institute of Internal Auditors. He also sits on the Board of other public listed companies including CSC Holdings Limited, Richland Group Limited, King's Safetywear Limited, Singapore Windsor Holdings Limited, Heng Xin Technology Ltd and Tat Seng Packaging Group Ltd. Mr Chee is the recipient of the National Day Awards 2003 – The Public Service Medal (Pingat Bakti Masyarakat) from the President of Republic of Singapore.

6. MR TAO YEOH CHI
Non-Executive Director /
Independent Director

Mr Tao has a strong background in human resource management and is one of the founding members and Director of Global Resources Consultants Pte Ltd. He has over 20 years of experience in the print and broadcast media and also high end manufacturing sector.

7. MR LIEN KAIT LONG
Non-Executive Director /
Independent Director

Mr Lien was appointed as the Chairman of the Nominating Committee of PSC on 1 June 2005. He is currently the deputy president of Shenzhen Flink Investment & Development Co. Ltd. Mr Lien has over 30 years experience in finance, corporate management and business investment. He has held a number of senior management positions as well as executive directorships in various public and private corporations in Singapore, Hong Kong and China. He currently serves as an Independent Director on the boards of several Singapore and Chinese companies listed on the Singapore Exchange. Mr Lien holds a Bachelor of Commerce degree from Nanyang University, and is a fellow member of the Institute of Certified Public Accountants of Singapore and CPA Australia.

+ Constitution of the Board Committees

1. AUDIT COMMITTEE

- Mr Chee Teck Kwong Patrick (Chairman)
- Dr John Chen Seow Phun
- Mr Tao Yeoh Chi
- Mr Lien Kait Long

2. NOMINATING COMMITTEE

- Mr Lien Kait Long (Chairman)
- Dr John Chen Seow Phun
- Mr Chee Teck Kwong Patrick

3. REMUNERATION COMMITTEE

- Mr Tao Yeoh Chi (Chairman)
- Dr John Chen Seow Phun
- Mr Chee Teck Kwong Patrick

Continuous Improvement

We make big plans from small ideas and we see ourselves growing from strength to strength.



A young man wearing a white hard hat and a white polo shirt is working in a warehouse. He is focused on packaging items into a cardboard box. The background shows a high ceiling with wooden beams and industrial lighting. The foreground is filled with various cardboard boxes and some red and yellow items, possibly food or small products, which are slightly out of focus.

Dependable

We got everything
set in place and we
demand high standards
from ourselves.

+ Senior Management



1. MR CHONG FAH SHANG
Executive Vice President
Group Consumer Business

Mr Chong brings with him more than 20 years of regional management experience in consumer business. Previously General Manager of Revlon Consumer Products International (South East Asia Region) and Director of Business Development of PepsiCo Foods International, he also held various senior positions with Malaysia Dairy Industries and Yeo Hiap Seng Ltd. He holds a Bachelor of Commerce (Economics & Management) from Nanyang University.

2. MS LENA TEO WAI LENG
Senior Vice President
Group Human Resource / Corporate Services /
Corporate Communications / Service Quality

Ms Teo has over 16 years of experience in human resource, business development and general management with MNCs in the manufacturing, FMCG and marine industries. She holds a Bachelor of Commerce (HRM & IR) degree from the Curtin University of Technology in Australia.

3. MR ALAN TANG YICK CHONG
Senior Vice President
Corporate Planning / Business Development

Mr Tang has more than 21 years of experience in food manufacturing, distribution, international business and franchising with MNCs and SMEs. He holds a Bachelor of Commerce degree from Nanyang University and an MBA from Henley Management College of the United Kingdom.



4. MS WONG JUAN MENG
Group Financial Controller

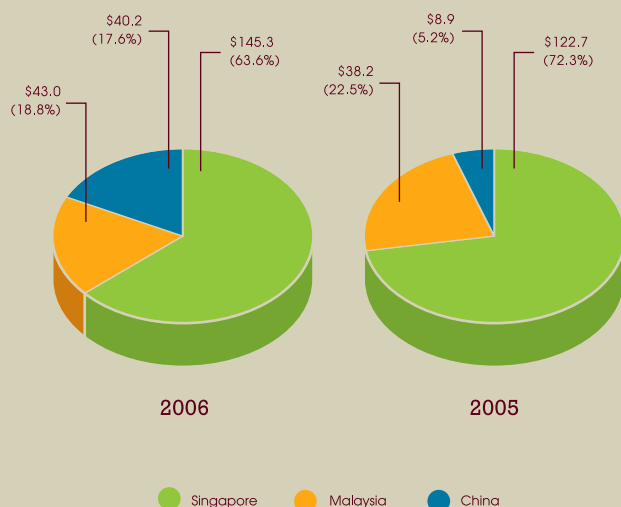
Ms Wong has more than 21 years of regional experience in audit, finance, treasury and risk management in industries ranging from FMCG, property and hospitality. She holds a Bachelor of Accountancy degree from the University of Singapore and is a non-practising member of the Institute of Certified Public Accountants of Singapore.

5. MS ANGELA CHAN MUI CHIN
Company Secretary
Vice President
Group Legal

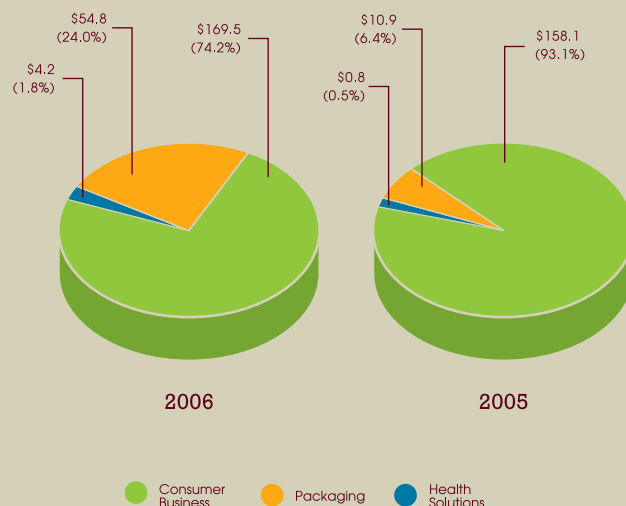
Ms Chan was a legal practitioner with more than 11 years experience. She holds a law degree from National University of Singapore and is called to the bar in Singapore, West Malaysia and New York.

+ Group Financial Summary

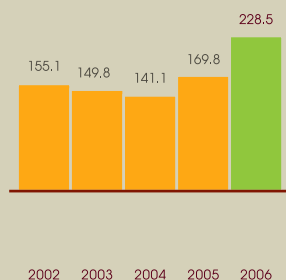
Turnover by geographical segments (\$ million)



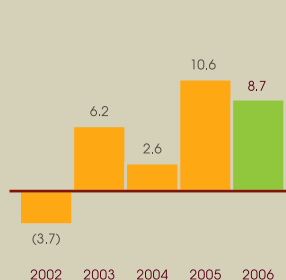
Turnover by business segments (\$ million)



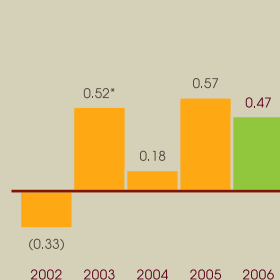
Turnover (\$ million)



Profit / (Loss) after taxation & minority interest (\$ million)

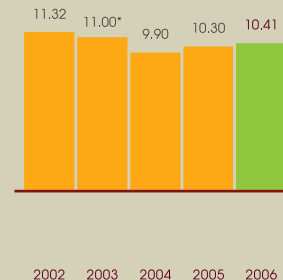


Basic Earning / (Loss) (cents)



* Based on weighted average no. of shares in issue during the year after taking into account the rights issue in 2004

NAV per share (cents)

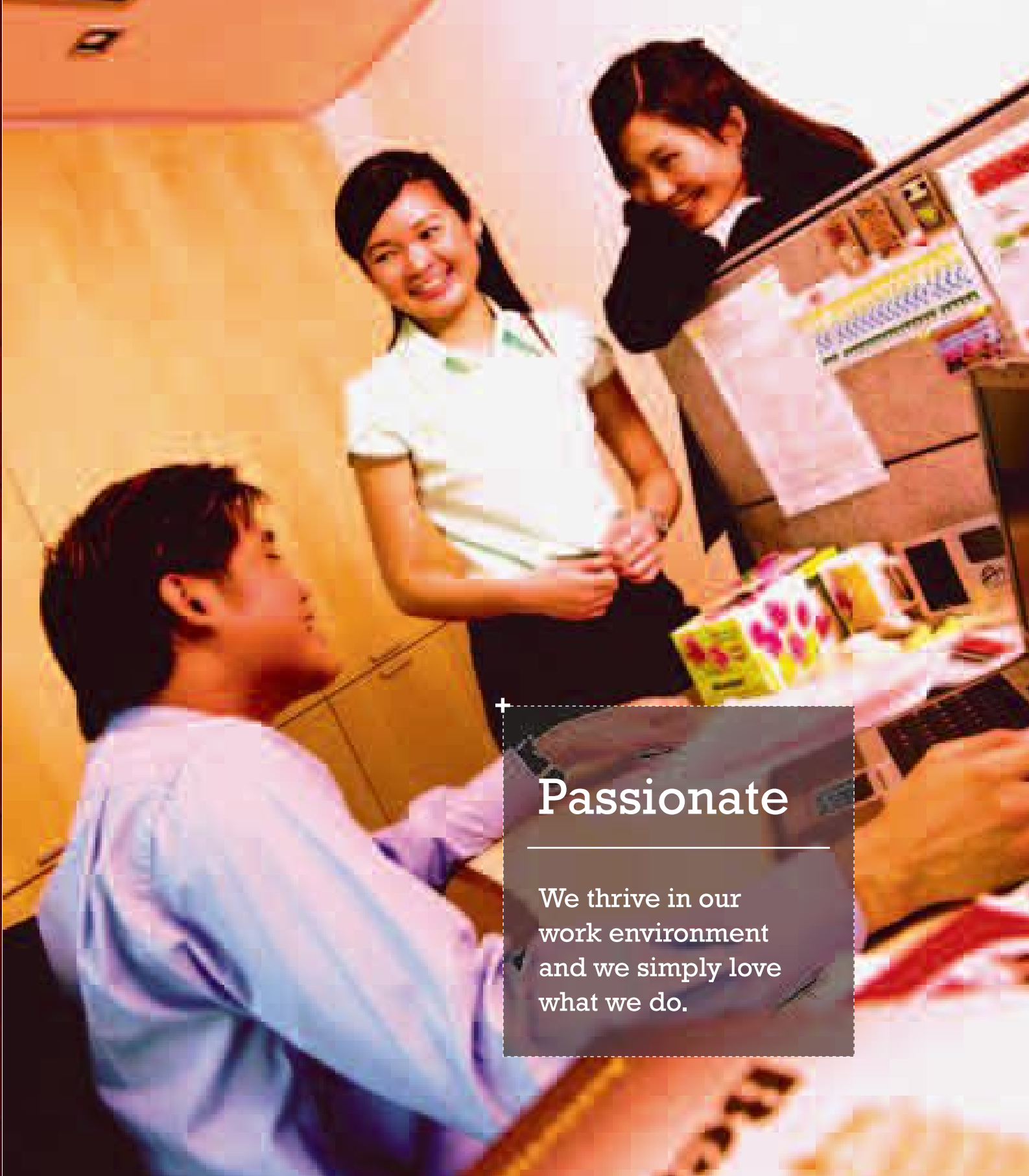


* Based on the number of shares in issue as at 31 December 2003 after taking into account the rights issue in 2004



Open & Positive Mindset

We're ready to take
on any challenge and
anything unexpected.
This only makes our
work more exciting.



Passionate

We thrive in our
work environment
and we simply love
what we do.

Consumer Essentials



Throughout 2006, the Group has continued to make headway in our core business activities. By understanding our consumers' fast-changing tastes and preferences, we have managed to stay relevant and ahead in the ever competitive business environment. Our dedication towards our aim to provide essentials for everyday lifestyles is exemplified by the corporation's commitment in embarking on a sound strategic direction which will take the Group to greater heights. This further strengthens the Group's position as the leader in providing consumer essentials.

Consumer Essentials

PSC's consumer essentials business is dedicated to providing products and services that are essential to the consumer's daily life. As the Group's core business, it comprises a comprehensive portfolio of commercial entities which involves the manufacturing of fast moving consumer goods (FMCG), FMCG brand management, and marketing, franchise management, health solutions, media education and entertainment.

Leveraging on our extensive distribution network and our wide range of quality products, the consumer essentials division has a presence in all aspects of the supply chain - from sourcing to manufacturing, logistics, distribution, marketing and retailing. Through this cluster, PSC is fully equipped to meet the needs of our consumers' increasingly sophisticated needs.

The Group is also well-placed as a leading player in the FMCG industry due to our strengths in distribution, sales and marketing. Over the years, PSC has built numerous successful brands and developed a comprehensive distribution service for its housebrands and other labels.

PSC continues to promote strong customer loyalty and top-of-mind recall using local mass media.

The two television variety and game shows, 'Cash Plus Holiday Weekend Delight' and 'PSC Nite' are two of the longest running programmes in Singapore, having been on air for more than 20 years.

Franchise Management and Marketing

PSC Corporation continues to be a major player in the grocery franchising business. With the largest mini-mart chain iEcon in Singapore, the franchise continues to maintain the strong brand equity built up over the years.

The origin of iEcon can be traced back to 1982 when its predecessor, Econ mini-mart was introduced. Since then, the brand has become a household name in Singapore, with a strong foothold in the general grocery retail trade despite severe competition. As further proof of its popularity with consumers, iEcon was awarded Superbrands status in 2006. To date, more than 90% of the original Econ mini-marts have been rebranded as iEcon outlets.

The iEcon concept has proven popular because of its relevance to the modern lifestyle. Each outlet is strategically located and provides convenient grocery shopping, friendly service, as well as easy access to a host of essential services. These essential

services include registering for prepaid phone cards, paying bills and fines, booking movie tickets and even subscribing to magazines. With the customer in mind, the list of services are constantly updated and upgraded.

Attentive personal service is one of the winning factors of iEcon. The owner operators have close rapport with customers. This long-term relationship with customers and a keen understanding of customers' needs further differentiates iEcon from its competitors.

Budding entrepreneurs have found the iEcon franchise one of the best ways to kick-start a grocery retail business. Franchisees can make use of PSC's well-established supply chain, information management and operating systems, as well as advertising and promotional support to ensure a successful foray into the grocery retail business.

FMCG Manufacturing, Marketing and Brand Management

Another cornerstone of PSC's business is in manufacturing. Through the improvement of existing brands and the introduction of new brand lines into the market, we have ensured a strong presence in the food manufacturing division.

PSC has under its wing many brands that have become household names. One such leading player in the chilled food industry is Fortune Food. During the year, the label launched three new products, namely Fortune Black Pepper Chicken Flavoured Tau Kwa (beancurd), Fortune Thai Tom Yum Flavoured Tau Kwa (beancurd) and Sobe Chocolate Fresh Soya Milk. These products, which have gained a faithful following, are widely available in all supermarkets, selected mini-marts and wet market stalls. More importantly, they meet

Singaporeans' demand for healthy and wholesome products.

PSC's Malaysian subsidiary, TIPS Industry, is a leading consumer paper product manufacturer. It produces pocket-handkerchiefs and printed serviettes targeted at consumers and retail sectors. It also manufactures multifold hand towels and logo printed napkins targeted at the commercial and industrial sectors. In 2006, its tissue manufacturing and converting plant in Johor Bahru was awarded the ISO 9001: 2000 certification in Quality Management Systems.

Beautex Tissue, a product distributed by PSC's subsidiary, Tipex Trading Pte Ltd was again awarded Superbrands in 2006. To maintain its commitment as a producer of premium quality products, Beautex has stringent quality controls to ensure that its paper products are soft, strong, highly absorbent, reasonably-priced and suitable for use on all occasions.

The brand is well-known for a wide and diverse range of consumer paper products. In 2006, Beautex launched a range of new and innovative personal and household care products including Beautex mosquito repellent wipes, Beautex facial cleansing wipes, Beautex wet floor wipes, household kitchen wipes and glass cleaning wipes.

Health Solutions

Headquartered in Malaysia, the Health Solutions Group has extended its geographical reach to cover East Asia and North Africa. As a leading specialist in healthcare consultancy and health facility management, its presence is well-established in many parts of the Asia-Pacific, with a track record of over 500 healthcare-related assignments worldwide.

Uniquely positioned as a one-stop resource centre, it offers value-added services covering the entire process of healthcare facility development. These include feasibility studies, functional design, project management and hospital commissioning, equipment planning and procurement, and hospital operations management. In addition to offering a comprehensive suite of services, the Group also offers international expertise through a wide network of associations.

In 2006, the hospitals under the management of Health Solutions performed outstandingly with increased productivity and profits. The Group's expertise and professionalism has garnered prospective clients from Indonesia, India, Thailand and even as far as the Middle East.

In Vietnam, health screening services introduced in the previous year under the Family Care International Clinic has seen an 85% growth. Proactive marketing strategies such as reaching out to 42,000 residents who stay in the vicinity of the clinic, and 6,000 individuals and company staff who have conducted their annual health screenings in the previous years have ensured the emergence of a strong and loyal customer base.

Earlier in the year, the Clinic was also formally appointed as a referral centre for Raffles Medical Group, providing various referral services to its Singapore arm. Towards the year end, the Clinic had introduced a first of its kind privilege card. Customer feedback has been positive, creating a niche for the Group in the competitive market.

In Malaysia, Health Solutions, as part of a consortium, was awarded the Asian Development Bank (ADB) regional technical assistance for the strengthening of epidemiological surveillance and response systems for communicable diseases. The RETA involves 3 Asian countries (Indonesia, Malaysia

and Philippines) and will be carried out over 18 months, starting in June 2006 with a focus on improving the surveillance and response systems for communicable diseases in each of the countries. With the IHR (2005) entering into force in June 2007, this project is timely in assisting the 3 countries to start taking the necessary measures to ensure the full and effective implementation of the World Health Organisation's Regulations.

Although the Group has been involved in aided works with the ADB, the victory for the above project was made sweeter because the consortium did not merely win the bid but emerged as the only qualified party for the implementation of this RETA, more so when this is the first such project to be undertaken by the Group's Malaysian operations. Health Solutions is looking to carry out more similar projects with international organisations in the future to continue its contribution in the constant upgrading of health-related services in the region.

In Thailand, the division commenced the design for the 'Integrated Wellness Resort' in Bangkok, slated for completion in 2009. The resort, the first of its kind in Thailand, will cater to local Thais and international tourists looking to indulge in the serene surroundings of the resort, which will be a stone's throw from the bustling city. Health Solutions will also be managing the operational aspects of the resort upon its completion.

The Group broke new ground in Libya when it won a 3-year facilities maintenance contract to provide comprehensive maintenance services to the Tripoli Medical Centre. The facility is a 1,200-bed government hospital located in Tripoli, Libya. Under the contract, Health Solutions will provide a computerised maintenance management system and technical personnel to supervise and train

relevant hospital's operational staff. The Group aims to use this undertaking as a reference project to develop and secure more opportunities in the North African region.

The Group recognises that the Asian market is growing and many health institutions are expanding their capacity. The Group is mindful of the risks inherent in the growing economies and shall continue to be cautious in its approach, constantly considering such risks in the expansion process. The Group is currently involved in the tendering and development of several healthcare-related projects around the region, in both the public and the private sectors. With its proven and ever-increasing expertise, and association with strategic partners, Health Solutions expects to grow from strength to strength in existing markets as well as establish itself in new markets.

Media Education and Entertainment

Education and entertainment is another mainstay of PSC's business activities. Our subsidiary, InnoForm Media Pte Ltd, is one of the region's fastest-growing VCD/DVD/CD distribution companies, with operations in Singapore, Malaysia, Hong Kong and Taiwan. The company has acquired, developed and produced numerous programmes that are educational and entertaining. InnoForm Media is continuously refreshing its programming slate to keep up with the times.

Widely recognised as a provider of quality programmes, InnoForm Media has distributed several acclaimed movies like *The Banquet*, *Confession of Pain* and *After This Our Exile* on VCD and DVD. Popular Korean dramas like *Princess Hours* and *Song of Prince* and Taiwanese dramas

like *Hanazakarino Kimitachihe* have worked their way to the hearts of the viewers. Recognising the viewers' growing interest in local productions, InnoForm Media released tele-movies, *Sorry Teacher* in 2006 and *Colour of Hope*, in 2007. Viewers can look forward to more tele-movies from InnoForm Media.

Since June 2006, InnoForm Media Pte Ltd has made headway into the entertainment and media industry with production and distribution of its first collection of Thai films, branded under the 'Sawasdee' collection. Its 2007 movie production, *Just Follow Law*, which was directed and produced by Jack Neo's J Team Productions, proved to be a box office success with a box office of more than S\$2.5 million. Upcoming movies in 2007 are comedy, *Men In White*, directed by award-winning local director, Kelvin Tong and action thriller, *Rule Number One* co-produced by InnoForm Media, Media Development Authority of Singapore (MDA), Fortune Star Entertainment (HK) Limited and Boku Films.

InnoForm Media has also strengthened its foothold in the children's market by launching *InnoKidz* in December 2006. Under its belt are bestsellers like *Hi-5*, *Strawberry Shortcake* and *The Magic School Bus*. New programmes like *Pocoyo and Friends* have also proven popular with children.

InnoForm Media continues to face a challenging climate in 2007. It will seek to engage consumers with a wider range of entertainment programmes from countries like Korea, Taiwan and Japan. The InnoForm Group will continue to explore new initiatives such as movie productions and bring in more award-winning media products to keep viewers entertained and informed.

2006年全年，集团持续在核心业务领域中取得进步。由于成功掌握了消费者瞬息万变的口味和喜好，集团在竞争激烈的商业环境中继续贴近市场脉搏，保持领先地位。集团致力于落实向消费者提供优质生活必需品的宗旨，倾力于确立良好的策略方向，并带领集团登上更高峰。这些策略为集团成为首要民生必需品供应商奠定基础。

民生必需品

普威的民生必需品业务致力于提供消费者日常生活中不可或缺的产品和服务。作为集团核心业务，它包括范围广泛的商业实体，消耗品的生产、消耗品的品牌管理，以及营销、特许经营管理、保健、媒体教育、娱乐等领域。

民生必需品部门充分运用集团所拥有的庞大销售网络及多元化优质产品的优势，在各个供应链环节——从采购至生产、物流、分销、营销和零售，均建立了据点。通过这一群组，普威全面掌握了日益变化的消费者需求。

凭着在分销、销售和营销上的实力，集团亦具备领导消耗品行业的条件。经过多年的努力，普威建立了多个成功的品牌，并扩展了自家品牌和其他品牌的全面性分销服务。

普威继续透过本地的大众传媒，来巩固顾客忠诚度和塑造顾客首选的品牌。电视综艺和游戏节目《赢万金游万里·欢乐周末夜》和《普威之夜》，均名列新加坡最长寿节目榜，播出至今长达二十多年之久。

特许经营管理与营销

普威集团一直是日用品特许经营市场中的佼佼者。普威联营拥有新加坡最大的连锁自助市场“i宜康”(iEcon)，保持多年来所建立的强大品牌权益。

iEcon 的前身可以追溯到1982年问世的宜康自助市场。通过实力和时间的考验，它成为了新加坡家喻户晓的品牌，并在竞争激烈的日用品零售业中稳占一席之地。2006年，iEcon 被评选为“超级品牌”，进一步展示了其在消费群中受欢迎的程度。截至目前为止，超过九成的宜康自助市场已改用 iEcon 品牌。

iEcon 概念之所以广受欢迎，原因在于它切合现代生活的需求。各自助市场地点适宜，为顾客提供便利、友善的购物服务。同时消费者还可以在 iEcon 方便获得多项基本服务。这些基本服务包括注册预付电话卡、支付帐款和罚款、预订电影票、衣服送洗和取回，甚至还包括杂志订阅服务。iEcon 以顾客需求为先，不断增加服务项目并提升原有服务质量。

iEcon 的取胜要素之一是其亲切的个人化服务。另外，经营者与客户建立密切的关系。这种长期的良好关系以及对顾客需求的深入了解，使 iEcon 在其他竞争者之间脱颖而出。

首次创业者发现 iEcon 特许经营是他们进军日用品零售业的最佳途径之一。加盟者可运用普威已建立的、行之有效的供应链、信息管理和营运系统，以及其所提供的广告和促销支援，成功开创日用品零售事业。

FMCG生产、营销和品牌管理

生产是普威另一业务基石。透过改良现有品牌以及向市场推出新品牌，集团在食品生产市场占有稳固的地位。

普威旗下不乏家喻户晓的品牌，其中之一即是冷冻食品业中的佼佼者——鸿运食品。过去一年中，鸿运食品推出了三种新产品，即鸿运黑胡椒鸡肉口味豆干、鸿运泰国酸辣汤口味豆干和 Sobe 巧克力口味豆奶。这些产品赢得许多消费者的喜爱，并在所有超级市场、部分小型超市和巴刹摊位广泛出售。更重要的是，它们迎合了新加坡人对有益健康的食品的需求。

普威在马来西亚的附属公司 TIPS Industry 是一家主要消耗类纸制品制造公司，生产面向消费者和零售市场的袋装纸巾和印制餐巾纸。它亦生产面向商业和工业的多层手纸巾以及印有标志的纸巾。2006年，公司在柔佛新山的纸巾生产和转换工厂获得 ISO 9001: 2000 品质管理系统认证。

2006年，由普威附属公司 Tipex Trading Pte Ltd 分销的 Beautex Tissue 纸巾产品再度被评选为 "超级品牌"。为秉持提供优质产品的目标，Beautex 采取严格的品质控制措施，务求确保其纸品的柔软度、韧度和吸收度，同时确保产品价格合理，并适合各种场合使用。

"Beautex" 已成为家喻户晓的多元化消耗类纸制品品牌。Beautex 在2006年推出一系列全新并具创新概念的个人和家庭用品，其中包括 Beautex 驱蚊纸巾、Beautex 洁面纸巾、Beautex 地板湿纸巾、用于家中厨房的湿纸巾以及玻璃清洁纸巾。

Health Solutions

总部位于马来西亚的 Health Solutions 集团在亚太地区以专业的保健咨询和设施管理而备受推崇，已有参与全球超过500项保健相关项目的好成绩。其业务触角也延伸到了东亚及北非地区。

集团采用一站式资源中心的独特定位，为保健设施的开发全过程提供增值服务，其中包括可行性研究、功能设计、项目管理、医院委任、设备规划与购置，以及医院运营管理。除了提供范围广泛的增值服务，集团亦透过其庞大的联盟网络，提供国际性专门知识。

2006年，由 Health Solutions 管理的医院均获得良好表现，生产效率和利益水平都大幅增长。集团的专门知识和专业精神使其在印尼、印度、泰国，甚至远至中东地区赢得了大批潜在顾客。

在越南，集团前一年透过 Family Care International Clinic 推出的健康检查服务已取得85%的成长。集团积极的行销策略，例如向住在诊所附近范围内的42,000个居民，以及往年接受常年健康检查的6,000名人士和公司职员进行推销，为集团建立了稳固并具忠诚度的顾客基底。

另外，诊所在年初正式成为莱佛士医疗集团的转诊中心，向该集团的新加坡部门提供各类转诊服务。同年年底诊所推出了首创的优惠卡，获得顾客的正面反应。这让集团在竞争激烈的医疗市场中建立根基。

在马来西亚，Health Solutions 所属财团获得亚洲开发银行 (ADB) 针对加强传染性疾病预防和应对系统的区域性技术援助 (RETA)。该项目从2006年6月起，持续18个月，着重于改善三个亚洲国家（印尼、马来西亚和菲律宾）的传染性疾病预防和应对系统。由于IHR (2005年) 将于2007年6月正式实施，这一项目将适时地协助当地政府，以确保世界卫生组织的条例得以全面并有效的实施。

集团一直以来都有参与 ADB 的援助项目，但令人鼓舞的是集团旗下的马来西亚公司首次负责此类项目，不仅成功得标，而且还是唯一有资格执行该项目的

公司。Health Solutions将进一步寻求与国际组织合作的机会，为不断提升本区域的医疗相关服务做出贡献。

在泰国，集团分部已着手建设曼谷 "Integrated Wellness Resort" 度假村，预计定于2009年竣工。这是泰国首次建造此类度假村。度假村位于繁华的市区，将为寻求宁静，放松身心的泰国人和国际游客服务。疗养度假村竣工后，Health Solutions 亦将负责疗养度假村的运营。

集团在利比亚也开辟了新领域，获得了为期三年的黎波里 (Tripoli) 医疗中心设施维修合约。该设施为一家位于利比亚黎波里的政府医院，医院内共1,200张病床。Health Solutions 根据合约提供一套电脑化维修管理系统，以及负责监督并培训医院相关工作人员和技术人员。集团希望以此为参考项目为未来在北非地区发展并争取更多商机。

集团认识到亚洲市场正不断成长，许多医疗保健机构亦在扩展中，但集团也了解成长中的经济体拥有潜在风险，因此会继续采取审视态度，在发展过程中时时权衡这类风险。集团目前正在参与本区域数个政府和私营企业医疗保健相关项目的投标活动和发展工作。Health Solutions 拥有经证实并不断增加的专门知识以及多个策略合作伙伴，相信将在现有市场茁壮成长，同时开创新市场。

媒体教育和娱乐

教育和娱乐是普威的另一核心业务。集团附属公司新格媒体私人有限公司是本区域中成长最快速的 VCD/DVD/CD 发行商之一，业务遍及新加坡、马来西亚、香港和台湾。公司选购、发展并制作多个具教育和

娱乐意义的节目。新格媒体不断更新节目内容，以顺应潮流。

新格媒体被普遍视为优质节目提供商，所发行的著名电影VCD和DVD包括《夜宴》、《伤城》、和《父子》。公司发行的韩剧，如《宫》、《薯童谣》，以及台湾电视剧，如《花样少年少女》，都备受观众欢迎。新格媒体认识到观众对本地制作的兴趣有增无减，分别于2006年和2007年发行了电视电影《对不起，老师》和《再见阳光》。新格媒体未来还将推出更多优秀的电视电影。

自2006年6月以来，新格媒体私人有限公司在娱乐和媒体业内取得进一步发展，制作并发行了首个泰国电影系列，系列采用 "Sawasdee" 名称。公司在2007年推出的，由梁智强的制作公司 J Team Productions 所制作的《我在政府部门的日子》取得票房佳绩，票房突破250万新元。定于2007年推出的新戏包括由本地得奖导演唐永健执导的喜剧片《鬼啊鬼啊》，以及新格媒体、新加坡媒体发展管理局 (MDA)、香港的星空传媒发行制作和 Boku Films 携手合作的惊悚动作片《首要规则》。

新格媒体亦巩固在儿童市场的地位，于2006年12月推出InnoKidz。该品牌下的畅销影片包括《Hi-5》、《Strawberry Shortcake》和《The Magic School Bus》。新推出的节目，如《Pocoyo and Friends》亦广受孩童们的喜爱。

新格媒体在2007年继续面临严峻的市场考验。公司将以更多元化的娱乐节目，例如来自韩国、台湾和日本的影片，来吸引消费群众的眼球。新格集团也将不断探讨新计划，例如电影制作，并引入更多获奖媒体产品，以便持续为观众带来娱乐与资讯。

Strategic Investments



The Group's secondary business cluster - PSC Strategic Investments - focuses on generating value and financial asset capabilities by investing in promising enterprises. These are companies in high growth sectors including packaging and commodities trading.

Hangzhou Youcan E-distribution Network

PSC Investment Pte Ltd acquired a 20% shareholding in Hangzhou Youcan E-Distribution Network Company Limited, which is involved in the distribution of fast moving consumer products through various modes including phone and web-based distribution services.

Tat Seng Group

One of Singapore's leading manufacturers of corrugated paper packaging products, Tat Seng Packaging Group Ltd is listed on the mainboard of the Singapore Exchange Securities Trading Limited. It designs, manufactures and sells corrugated paper packaging products for a diverse range of industries. Key products include corrugated paper boards, corrugated paper cartons, die-cut boxes, assembly cartons and heavy-duty corrugated paper products.

Tat Seng's clientele encompasses a wide range of industries that include multi-national corporations and local manufacturers. Industries such as those in the electrical, electronics,

pharmaceutical, chemical and food sector as well as plastic and metal stamping are all heavy users of the Group's products. Tat Seng has three plants, one in Singapore and the other two in Suzhou and Hefei, China.

Hefei Dansun officially became a subsidiary of the Tat Seng Packaging Group Ltd. on 26 September 2006. Hefei Dansun was incorporated in Hefei City, Anhui Province, China in July 2003 as a corrugated paper carton manufacturing Company. It is strategically located at the Hefei Economical Technical Development Park.

Tat Seng has been a major player in the corrugated box manufacturing industry for more than 30 years. It will continue to look for business opportunities to increase its production capacity in areas where it operates. The company will also form strategic alliances to expand its product range and broaden market access.

Tat Seng will expand the value chain of PSC's core Consumer Essentials Division and extend its reach in the growing China market.

集团第二级业务群组 PSC Strategic Investments 着重于透过对具潜力企业的投资，为集团创造增值和财务资产能力。这类企业来自高增长行业，包括包装和商品交易业。

杭州佑康电子商务网络

普威投资私人有限公司已收购杭州佑康电子商务网络有限公司两成股权。佑康的主要业务是包含电话和网络分销服务在内的各种形式的配送快速消耗产品。

达成集团

达成包装集团有限公司 (Tat Seng Packaging Pte Ltd) 是新加坡领先的瓦楞纸制造商之一，并在新加坡证券交易所主板挂牌交易。公司为各行业设计、生产并销售瓦楞纸包装产品。主要产品包括瓦楞纸板、瓦楞纸箱、打孔纸箱、组装纸盒和重型瓦楞纸品。

达成的客户来自各行各业，其中包括跨国企业和本地制造商。大量使用达成集团产品的行业包括电气、电子、药剂、化学、食品业，以及从事塑

料和金属冲压的行业。达成共有三座工厂，其中一座位于新加坡，另外两座位于中国的苏州和合肥。

合肥丹盛 (Hefei Dansun) 于2006年9月26日正式成为达成包装集团的附属公司。合肥丹盛于2003年7月在中国安徽省合肥成立，是一家瓦楞纸箱制造公司，公司位于合肥经济技术开发区。

三十多年来，达成一直保持在瓦楞纸箱制造业的领先地位。公司未来将继续寻求在营运地点扩大产能的商机。公司亦将建立策略联盟，以扩大产品和市场范围。

达成将扩大普威的核心消费者必需品部门的价值链，以便在不断增长的中国市场进一步施展拳脚。

+ Corporate Information

**BOARD OF
DIRECTORS**

Allan Yap
Executive Chairman

Foo Der Rong
Managing Director / CEO

John Chen Seow Phun
Deputy Chairman /
Non-Executive Director

Richard Lui Siu Tsuen
Executive Director

Chee Teck Kwong Patrick
Non-Executive Director /
Independent Director

Tao Yeoh Chi
Non-Executive Director /
Independent Director

Lien Kait Long
Non-Executive Director/
Independent Director

**COMPANY
SECRETARY**

Angela Chan Mui Chin

**REGISTERED
OFFICE**

348 Jalan Boon Lay
Singapore 619529
Tel: 6268 4822

**SHARE
REGISTER**

M&C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

AUDITORS

KPMG
Certified Public Accountants
(Partner in charge – Quek Shu Ping,
since FY2005)
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

BANKERS

United Overseas Bank Limited
Development Bank of Singapore Limited
Standard Chartered Bank

+ Corporate Governance Statement

The Company is committed to complying with the Singapore Code of Corporate Governance 2005 ("Code") so as to ensure greater transparency and to safeguard the interests of shareholders. This statement highlights the main corporate governance practices that were in place during the financial year.

1 Board of Directors

Role of the Board

The Board of Directors currently comprises 3 Executive Directors, and 4 Non-Executive Directors. 3 of the Non-Executive Directors are Independent Directors. Its primary role is to protect and enhance long-term shareholder value. To fulfill this, the Board sets the overall strategy and direction for the Group, establishes management's goals and monitors the achievement of those goals, supervises executive management, ensures that the Company has the necessary resources to meet its goals and establishes a framework of prudent and effective controls to assess and manage risks.

Board Processes

The Board of Directors has established Board Committees such as the Audit Committee, Nominating Committee and the Remuneration Committee to assist it in carrying out its responsibilities. These committees have written mandates and operating procedures which are reviewed and monitored regularly. 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 Company's Articles of Association provides for meetings of Directors by way of telephone and video conferencing. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information relating to the proposed transaction.

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

Directors' meeting held in Financial Year 2006

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	4
Mr. Foo Der Rong	4
Mr. Richard Lui Siu Tsuen	4
Dr. John Chen Seow Phun	4
Mr. Chee Teck Kwong Patrick	4
Mr. Tao Yeoh Chi	3
Mr. Tan Kong King (resigned on 5 February 2007)	4
Mr. Derek Cheong Kheng Beng (resigned on 5 February 2007)	4
Mr. Lien Kait Long	4

+ Corporate Governance Statement

1.1 Matters Requiring Board Approval

The directors have identified a few areas for which the Board has direct responsibility for decision making (which are embodied in its internal guidelines) such as the following:

- approval of the quarterly results announcements;
- approval of the annual report and accounts;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- approval of corporate strategy; and
- authorisation of 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 opportunities for ongoing education on Board processes and best practices as well as updates on relevant new laws and regulations. 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. The Company is in the process of setting up a more formal procedure for the issue of the appointment letter setting out the directors' duties and obligations and for the provision of relevant corporate information to newly appointed directors.

1.3 Board Composition and Balance

The current Board comprises members with diverse expertise and experience in business and management, accounting, finance, human resources and law.

+ Corporate Governance Statement

1.3 Board Composition and Balance (cont'd)

As at the date of this report, the Board comprises 7 suitably qualified members:

Name of Director	Date of appointment/ Date of last re-election	Functions	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding three years	Academic and professional qualifications
Dr. Allan Yap	10 May 2002/ 26 April 2006	Executive Chairman	Executive Chairman of Intraco Limited Executive Chairman of Tat Seng Packaging Group Ltd Managing Director of Hanny Holdings Limited Executive Director of Wing On Travel (Holdings) Limited Chairman, CEO and Director of China Enterprises Limited Chairman, CEO and Director of Burcon NutraScience Corporation Chairman and Director of MRI Holdings Limited	Vice Chairman and Executive Director of Pacific Century Premium Developments Limited (formerly known as Dong Fang Gas Holdings Limited) Vice Chairman and Director of China Strategic Holdings Limited	Honorary degree of Doctor of Laws from University of Victoria
Mr. Foo Der Rong	1 September 2002	Managing Director & Chief Executive Officer	Executive Director of Intraco Limited Executive Director of Tat Seng Packaging Group Ltd Independent Director of Sino Techfibre Limited and China Farm Singapore Equipment Limited		Bachelor of Commerce from Nanyang University,

+ Corporate Governance Statement

1.3 Board Composition and Balance (cont'd)

Name of Director	Date of appointment/ Date of last re-election	Functions	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding three years	Academic and professional qualifications
Mr. Richard Lui Siu Tsuen	10 May 2002/ 28 April 2005	Executive Director	Deputy Managing Director of Hanny Holdings Limited	Alternate Director to Dr Allan Yap of China Strategic Holdings Limited	Member of The Chartered Institute of Management Accountants
			Executive Director of Wing On Travel (Holdings) Limited		Master of Business Administration from the University of Adelaide
Dr. John Chen Seow Phun	9 June 2003 / 28 April 2004	Non-Executive Director Member of Audit, Nominating and Remuneration Committee	Non-Executive Chairman of Matex International Limited	Director of Intraco Limited	PhD in Electrical Engineering from the University of Waterloo, Canada
			Non-Executive Chairman of SNF Corporation Ltd		
			Non-Executive Deputy Chairman of Tat Seng Packaging Group Ltd		
			Independent Director of Thai Village Holdings Ltd, OKP Holdings Ltd, Hiap Seng Engineering Ltd, Hongguo International Holdings Limited, and PDC Corp Ltd		

+ Corporate Governance Statement

1.3 Board Composition and Balance (cont'd)

Name of Director	Date of appointment/ Date of last re-election	Functions	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding three years	Academic and professional qualifications
Mr. Chee Teck Kwong Patrick	1 August 1990/ 28 April 2004	Non-Executive/ Independent Director Chairman of Audit Committee, Member of Nominating and Remuneration Committee	Non-Executive Chairman of CSC Holdings Limited Independent Director of King's Safetywear Limited, Richland Group Limited, Tat Seng Packaging Group Ltd, Singapore Windsor Holdings Ltd and Hengxin Technology Ltd		Bachelor of Laws (Honours) from University of Singapore
Mr. Tao Yeoh Chi	13 November 1997/ 26 April 2006	Non-Executive/ Independent Director Chairman of Remuneration Committee and Member of Audit Committee			Bachelor of Arts (Economics) from University of Newcastle Bachelor of Engineering (Mechanical) (Honours), from University of Newcastle
Mr. Lien Kait Long	1 June 2005/ 26 April 2006	Non-Executive/ Independent Director	Director of China Enterprises Limited Independent Director of Tat Seng Packaging Group Ltd, 8Telecom International Holdings Co., Ltd, Jishan Holdings Limited, Mediastream Limited (under judicial management), MRI Holdings Limited, Ocean International Holdings Limited, Falcon Energy Group Limited, Youcan Foods International Limited and Delong Holdings Limited	Director of China Strategic Holdings Limited and its subsidiaries Director of China Development Corporation Limited and its subsidiaries	Bachelor of Commerce Degree from Nanyang University, Singapore Fellow of CPA Australia and Institute of Certified Public Accountants of Singapore

+ Corporate Governance Statement

1.3 Board Composition and Balance (cont'd)

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

- the Board should comprise 8 to 10 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 competencies and 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 provisions in the Articles of Association. The relevant 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 the 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. Candidates may be suggested by directors or management or sourced from external sources. The Committee will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision making track record, relevant experience and financial literacy. The Committee will make a recommendation to the Board on the appointment. The Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

Particulars of interests of directors who held office at the end of the financial year in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) 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 at least one-third of the Board: Mr. Chee Teck Kwong Patrick, Mr. Tao Yeoh Chi and Mr. Lien Kait Long. The criteria for independence is based on the definition given in the Code. 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.

+ Corporate Governance Statement

1.5 Chairman and Chief Executive Officer

There is a distinct separation of responsibilities between the Executive Chairman and the CEO, which ensures that there is a balance of power and authority at the top of the Company. 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 Chairman leads the Board and is responsible for the effective working of the Board including facilitating contributions from the non-executive directors and encouraging constructive relations between the directors as well as exercising control over the quality, quantity and timeliness of information flow to the Board, ensuring effective communication with the Company's shareholders and encouraging high standards of corporate governance.

1.6 Board Membership

In appointing directors, 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 delegated to the Nominating Committee ("NC") the functions of developing and maintaining a transparent and formal process for the appointment of new directors, making recommendations for directors who are due for retirement by rotation to seek re-election at general meeting and determining the independent status of each director.

The NC currently comprises 3 members, the majority of whom (including the Chairman) are independent - Mr. Lien Kait Long (Chairman, and Independent Director), Mr. Chee Teck Kwong Patrick (Independent Director) and Dr. John Chen Seow Phun. The NC Chairman is also a director who is not a substantial shareholder and is not directly associated with a substantial shareholder.

The NC's functions are to develop and maintain a transparent and formal process for the appointment of new directors, to make recommendations on directors who are due for retirement by rotation to seek re-election at general meeting, and to determine the status of independence of each director. The role of the NC includes overseeing the appointment and induction process for directors. Where a director has multiple board representations, the NC will evaluate annually whether or not a director is able to and has been adequately carrying out his duties as director of the Company based on internal guidelines such as attendance, contactability and responsiveness.

The Company's Articles of Association provide 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 more 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 director's 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. Lien Kait Long (Chairman)	Non-Executive / Independent	1
Mr. Chee Teck Kwong Patrick	Non-Executive / Independent	1
Dr. John Chen Seow Phun	Non-Executive	1

+ Corporate Governance Statement

1.7 Board Performance

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 direction and ensuring that the Group is ably led. The Board, through the delegation of its authority to the NC, will review the 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 include contribution and performance based on factors such as attendance, preparedness, participation and candour.

The NC has implemented a procedure of Board assessment commencing from Financial Year 2004. The results of the Board assessment are discussed by the NC and suggestions arising from the assessment are circulated to the Board for consideration. The NC has also implemented a procedure to evaluate the contribution of each individual director to the effectiveness of the Board commencing from Financial Year 2006. The Board assessment is done by circulating assessment forms to the directors for their evaluation of various Board issues and processes such as the Board structure, conduct of Board meetings, review of the Company's corporate strategy and planning, ensuring and reviewing the Company's risk management and internal control processes, review of the Company's performance, review of the Board's compensation evaluations and communication with the Company's shareholders. The result of the Board assessment is circulated to the Board, discussed at the Board meeting and suggestions by any director or the NC are considered for further action. The individual directors' evaluations are self assessments carried out by each director. The evaluations are discussed by the NC and any appropriate action taken.

The financial indicators set out in the Code 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. A presentation is made to the Directors at the Director's meeting on budgets and forecasts and variances from the budget disclosed.

All directors have separate and independent access to the advice and services of the company secretary. The company secretary is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with as well as ensuring good information flow within the Board and its committees, between senior management and the non executive directors, facilitating orientation and assisting with professional development as required. The appointment and removal of the company secretary is a matter which is approved by the Board. The company secretary attended all Board meetings during the year.

The Board also has separate and independent access to the company's senior management.

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

+ Corporate Governance Statement

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.

In 2006, the Remuneration Committee ("RC") comprised solely of non-executive directors, the majority of whom, including the Chairman, is independent. The RC currently comprises 3 members – Mr. Tao Yeoh Chi (Chairman, and Independent Director), Mr. Chee Teck Kwong Patrick (Independent Director) and Dr. John Chen Seow Phun.

The RC is responsible for recommending to the Board a framework of remuneration for the directors and the executive directors (including the CEO) which is submitted to the whole Board for endorsement. The RC reviews and approves recommendations on remuneration policies and packages for directors in the interests of improved corporate performance.

The RC's review of remuneration packages takes into consideration the long term interests of the Group and ensures that the interests of the directors 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.

All non-executive Directors are paid a Director's fee, with additional fees for serving as the chairman or member of a Board committee and attendance fees for Board and Board committee meetings. These fees are recommended by the RC and submitted to the Board for endorsement. The Directors' fees to be paid for any one year are submitted for shareholders' approval at the Annual General Meeting.

The remuneration packages of the CEO and the executive directors are determined based on the framework recommended by the RC. In doing so, the RC reviews the length of the fixed appointment period, the notice period for termination and the terms of the compensation package in the event of the termination of any executive director's contract of service to ensure that the terms of such clauses are not onerous to the Company. The executive directors' framework of remuneration includes a fixed element as well as a variable element in the form of a bonus and a profit sharing incentive which is linked to the Company's performance.

With effect from Financial Year 2006, the RC also reviews the senior management's remuneration annually.

The Company has implemented the PSC Executives' Share Option Scheme 2003 for the Company's executives, including its directors. Information on the Scheme is set out in the Director's Report. The RC is responsible for reviewing, approving and administering the Scheme.

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
Dr. John Chen Seow Phun	Non-Executive	1

+ Corporate Governance Statement

2 Remuneration Matters (cont'd)

Summary compensation table of Company's Directors receiving remuneration from the Group for the financial year ended 31 December 2006:

Directors	Base Salary	Bonus	Profit Sharing	Director Fees	Allowance*	TOTAL
Range S\$250,000 and below						
Mr. Richard Lui Siu Tsuen	49.74%	8.29%	31.61%	10.36%	0.00%	100%
Dr. John Chen Seow Phun	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Chee Teck Kwong Patrick	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Tao Yeoh Chi	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Tan Kong King	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Derek Cheong Kheng Beng	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Lien Kait Long	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Range S\$750,000 to below \$1,000,000						
Mr. Foo Der Rong	47.19%	7.87%	36.66%	5.74%	2.54%	100%
Range S\$1,000,000 to below \$1,250,000						
Dr. Allan Yap	43.91%	7.32%	44.06%	2.41%	2.30%	100%

* Employer's CPF contribution is included here.

2.1 Remuneration of Employees Related to Directors

As at 31 December 2006, we have an employee who is related to the CEO. He has been the Executive Director of a subsidiary since 1996. The remuneration of this employee is determined by the Executive Chairman and an Executive Director. The CEO abstains from all matters relating to the remuneration of this employee. 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 2006:

Remuneration Band	Salary	Bonus	Profit Sharing	Director Fees	Allowances and other benefits*	TOTAL
Range S\$500,000 and below	75.79%	12.63%	0.00%	5.48%	6.10%	100%

* Employer's CPF contribution is included here.

+ Corporate Governance Statement

2.2 Remuneration of Top 5 Key Management Executives

Disclosure of the top 5 key management executives' remuneration (who are not directors) in bands of S\$250,000 (based on gross remuneration received) is set out below:

Key Management Executives	Base Salary	Bonus	Profit Sharing	Director Fees	Allowance*	TOTAL
Range S\$500,000 and below						
Chong Fah Shang	81.68%	13.81%	0.00%	0.00%	4.51%	100%
Tang Yick Chong	71.90%	16.04%	3.17%	3.13%	5.76%	100%
Teo Wai Leng, Lena	73.50%	15.92%	4.84%	0.00%	5.74%	100%
Range S\$250,000 and below						
Wong Juan Meng	74.33%	16.10%	3.97%	0.00%	5.60%	100%
Angela Chan Mui Chin	74.91%	16.23%	3.69%	0.00%	5.17%	100%

* Employer's CPF contribution is included here.

The Company adopts a remuneration policy for staff comprising both a fixed and variable component. The fixed component is in the form of a base salary and allowances. The variable component is in the form of a variable bonus that is linked to the Company and each individual's performance.

3 Accountability and Audit

In presenting the annual financial statements and quarterly announcements to shareholders as well as any price sensitive reports to the public the Board aims to provide the shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects.

The Board is provided with an analysis of the management accounts at the quarterly Board meetings which presents a balanced and understandable assessment of the company's performance, position and prospects.

3.1 Audit Committee

During 2006, the Audit Committee ("AC") had 4 members, all of whom are non-executive directors and the majority of whom, including the Chairman, is independent. The AC's members are Mr. Chee Teck Kwong Patrick (Chairman, and Independent Director), Mr. Tao Yeoh Chi (Independent Director), Dr. John Chen Seow Phun and Mr. Lien Kait Long (Independent Director). At least 2 members have accounting or related financial management expertise or experience.

The AC's main objective is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters.

+ Corporate Governance Statement

3.1 Audit Committee (cont'd)

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

- (a) review the audit plans of the external and internal auditors;
- (b) review the external and internal auditors' reports;
- (c) review the co-operation given by the Company's officers to the external and internal auditors;
- (d) review the adequacy of the internal audit function;
- (e) evaluate the effectiveness of the 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) review the financial statements of the Company and the Group before their submission to the Board of Directors;
- (g) review non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;
- (h) nominate external auditors for appointment or re-appointment;
- (i) review the 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) review 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 its shareholders in any way.

Apart from the duties listed above, the AC may 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 the Company's or Group's operating results and/or financial position.

The AC 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. Based on the information provided to the AC, nothing has come to the AC's attention that the system of internal controls and risk management is inadequate.

+ Corporate Governance Statement

3.1 Audit Committee (cont'd)

The AC is also authorised to investigate any matter within its terms of reference and has full access to and co-operation of the 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 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.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

Meetings and attendance during the year:

Name of director	Appointment	Number of meetings attended
Mr. Chee Teck Kwong Patrick (Chairman)	Non-executive / Independent	4
Mr. Tao Yeoh Chi	Non-executive / Independent	3
Dr. John Chen Seow Phun	Non-executive	4
Mr. Lien Kait Long	Non-executive / Independent	4

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 the 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.

+ Corporate Governance Statement

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

- the scope of the internal auditors' work;
- the quality of the reports;
- the relationship with the external auditors; and
- the 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 Financial Reporting Standards;
- quarterly 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 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.

+ Corporate Governance Statement

4 Communication with our Shareholders (cont'd)

Moreover, our shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be updated on the Company's strategies and goals. The Company's Articles allow a shareholder to appoint more than 2 proxies to attend a shareholder's meeting on his behalf. The notice of the AGM is sent to our shareholders, together with explanatory notes, appendices 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

In accordance with Rule 1207(18) of the Listing Manual issued by SGX-ST, the Company notifies all employees that they are prohibited from trading in the Company's shares one month prior to the announcement of the Company's half and full year results and 14 days before the announcement of the first quarter and third quarter financial results.

The Company has also issued a policy on Insider Trading to all employees which sets out the principles of relevant laws relating to insider trading which are applicable at all times.

+ Directors' report

Year Ended 31 December 2006

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2006.

Directors

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

Allan Yap
 Foo Der Rong
 Richard Lui Siu Tsuen
 Chee Teck Kwong Patrick
 Tao Yeoh Chi
 John Chen Seow Phun
 Lien Kait Long

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 (including those held by their spouses and infant children) in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings at beginning of the year	Holdings at end of the year
Name of director and corporation in which interests are held		
Allan Yap		
PSC Corporation Ltd		
- options to subscribe for ordinary shares at \$0.086 between 20/08/04 and 19/08/13	5,000,000	5,000,000
Foo Der Rong		
PSC Corporation Ltd		
- ordinary shares (par value of \$0.05 each at beginning of the year)	2,922,500	2,922,500
- options to subscribe for ordinary shares at \$0.086 between 20/08/04 and 19/08/13	4,000,000	4,000,000
Richard Lui Siu Tsuen		
PSC Corporation Ltd		
- options to subscribe for ordinary shares at \$0.086 between 20/08/04 and 19/08/13	2,000,000	2,000,000
Chee Teck Kwong Patrick		
PSC Corporation Ltd		
- options to subscribe for ordinary shares at \$0.085 between 20/08/04 and 19/08/08	1,000,000	1,000,000

+ Directors' report

Year Ended 31 December 2006

	Holdings at beginning of the year	Holdings at end of the year
Name of director and corporation in which interests are held (cont'd)		
Tao Yeoh Chi PSC Corporation Ltd - options to subscribe for ordinary shares at \$0.085 between 20/08/04 and 19/08/08	1,000,000	1,000,000
John Chen Seow Phun PSC Corporation Ltd - options to subscribe for ordinary shares at \$0.085 between 20/08/04 and 19/08/08	2,000,000	2,000,000

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2007.

Except as disclosed under the "Share options" section of this report, 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 the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 35 to the financial statements, 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.

Share Options

The PSC Executives' Share option Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 8 July 2003. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Tao Yeoh Chi (Chairman), Chee Teck Kwong Patrick and John Chen Seow Phun.

Other information regarding the Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the Scheme is 10% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 5 business days immediately preceding the date of grant ("Market Price") or at a price of up to 20% discount of the Market Price.
- Under the Scheme, a non-discounted option vests 1 year after the date of grant and a discounted option vests 2 years after the date of grant.
- Unless they are cancelled or lapsed prior to the expiry date, options granted will expire 120 months after the date of grant, except for options granted to non-executive directors which will expire 60 months after the date of grant.

+ Directors' report

Year Ended 31 December 2006

Share Options (cont'd)

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 01/01/2006	Options cancelled	Options exercised	Options outstanding at 31/12/2006	Number of option holders at 31/12/2006	Exercise period
20/08/2003	\$0.086	19,650,000	-	-	19,650,000	23	20/08/2004 to 19/08/2013
20/08/2003	\$0.085	4,000,000	-	-	4,000,000	3	20/08/2004 to 19/08/2008
		23,650,000	-	-	23,650,000		

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Details of options granted to directors of the Company under the Scheme are as follows:

Name of director	Options granted for financial year ended 31 December 2006	Aggregate options granted since commencement of Scheme to 31 December 2006	Aggregate options exercised since commencement of Scheme to 31 December 2006	Aggregate options outstanding as at 31 December 2006
Allan Yap	-	5,000,000	-	5,000,000
Foo Der Rong	-	4,000,000	-	4,000,000
Richard Lui Siu Tsuen	-	2,000,000	-	2,000,000
Chee Teck Kwong Patrick	-	1,000,000	-	1,000,000
Tao Yeoh Chi	-	1,000,000	-	1,000,000
John Chen Seow Phun	-	2,000,000	-	2,000,000
Total	-	15,000,000	-	15,000,000

Since the commencement of the Scheme, no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

+ Directors' report

Year Ended 31 December 2006

Audit Committee

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

- Chee Teck Kwong Patrick (Chairman), non-executive independent director
- Tao Yeoh Chi, non-executive independent director
- Lien Kait Long, non-executive independent director
- John Chen Seow Phun, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Companies Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held 4 meetings since the last directors' report. 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.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual 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 SGX Listing Manual).

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 also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and 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.

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

12 March 2007

+ Statement by Directors

Year Ended 31 December 2006

In our opinion:

- (a) the financial statements set out on pages 63 to 116 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 2006 and of the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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

12 March 2007

+ Independent Auditors' Report Members of the Company PSC Corporation Ltd

We have audited the accompanying financial statements of PSC Corporation Ltd (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2006, the income statement, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 116.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2006 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records 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.

KPMG

Certified Public Accountants

Singapore

12 March 2007

+ Balance Sheets

as at 31 December 2006

	Note	2006 \$	Group 2005 \$	Company 2006 \$	2005 \$
Non-current assets					
Property, plant and equipment	3	76,706,564	73,868,008	19,726,942	20,418,900
Subsidiaries	4	-	-	46,218,055	45,198,055
Associates	5	48,223,638	45,691,947	27,163,530	27,163,530
Other financial assets	6	13,668,881	10,920,215	2,480,300	-
Other receivable		3,962,034	4,567,281	-	-
Intangible assets	7	6,161,800	4,296,908	-	-
Deferred tax assets	8	981,305	1,176,450	-	-
		149,704,222	140,520,809	95,588,827	92,780,485
Current assets					
Other financial assets	6	-	4,713,512	-	4,713,512
Non-financial assets	9	353,123	395,176	45,000	45,000
Property held for development	10	585,667	594,327	-	-
Inventories	11	29,504,950	35,435,367	6,803,598	9,923,878
Trade and other receivables	13	60,088,179	63,235,907	41,124,518	54,319,043
Cash and cash equivalents	17	49,306,658	36,470,592	27,502,284	18,188,539
		139,838,577	140,844,881	75,475,400	87,189,972
Total assets		289,542,799	281,365,690	171,064,227	179,970,457
Equity attributable to equity holders of the Company					
Share capital	18	140,792,609	93,372,791	140,792,609	93,372,791
Reserves	20	53,666,234	98,910,704	6,929,967	56,667,679
		194,458,843	192,283,495	147,722,576	150,040,470
Minority interests		23,268,025	21,316,922	-	-
Total equity		217,726,868	213,600,417	147,722,576	150,040,470
Non-current liabilities					
Financial liabilities	21	3,099,595	1,623,611	-	-
Deferred tax liabilities	8	5,890,427	5,389,460	375,134	336,783
		8,990,022	7,013,071	375,134	336,783
Current liabilities					
Trade and other payables	22	41,536,665	49,951,033	22,637,014	28,781,965
Financial liabilities	21	18,713,224	8,447,293	-	-
Current tax payable		2,576,020	2,353,876	329,503	811,239
		62,825,909	60,752,202	22,966,517	29,593,204
Total liabilities		71,815,931	67,765,273	23,341,651	29,929,987
Total equity and liabilities		289,542,799	281,365,690	171,064,227	179,970,457

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

+ Consolidated Income Statement

Year Ended 31 December 2006

	Note	2006 \$	2005 \$
Continuing operations			
Revenue	23	228,543,067	169,790,004
Cost of sales		(175,126,016)	(130,506,601)
Gross profit		53,417,051	39,283,403
Other operating income		1,946,762	11,100,133
Distribution expenses		(25,093,156)	(21,558,307)
Administrative expenses		(23,501,051)	(18,998,722)
Other operating expenses		(1,214,180)	(988,691)
Results from operating activities		5,555,426	8,837,816
Net finance income	24	1,420,550	220,309
Share of profit of associates (net of tax)		5,194,684	4,748,285
Profit before income tax		12,170,660	13,806,410
Income tax expense	25	(1,629,629)	(1,769,012)
Profit from continuing operations		10,541,031	12,037,398
Discontinued operations			
Loss from discontinued operations (net of tax)		-	(784,874)
Profit for the year	26	10,541,031	11,252,524
Attributable to:			
Equity holders of the Company		8,723,642	10,645,544
Minority interests		1,817,389	606,980
Profit for the year		10,541,031	11,252,524
Earnings per share			
Basic earnings per share (cents)	27	0.47	0.57
Diluted earnings per share (cents)	27	0.47	0.57
Continuing operations			
Basic earnings per share (cents)	27	0.47	0.61
Diluted earnings per share (cents)	27	0.47	0.61

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

+ Consolidated Statement of Changes in Equity

Year Ended 31 December 2006

Group	Note	Share capital \$	Share premium \$	Other capital reserves \$	Fair value reserve \$	Currency translation reserve \$	Accumulated profits \$	Total attributable to equity holders of the Company \$	Minority interests \$	Total equity \$
At 1 January 2005		93,347,791	47,141,654	2,735,056	861,328	103,439	41,460,596	185,649,864	5,889,283	191,539,147
Issuance of shares	18	25,000	18,000	-	-	-	-	43,000	-	43,000
Translation differences relating to financial statements of:										
- subsidiaries		-	-	-	-	209,686	-	209,686	61,535	271,221
- associates		-	-	-	-	193,477	-	193,477	-	193,477
Reversal on disposal of available-for-sale investments		-	-	-	(107,698)	-	-	(107,698)	-	(107,698)
Change in fair value of available-for-sale quoted equity securities		-	-	-	(951,670)	-	-	(951,670)	-	(951,670)
Net (losses)/gain recognised directly in equity		-	-	-	(1,059,368)	403,163	-	(656,205)	61,535	(594,670)
Net profit for the year		-	-	-	-	-	10,645,544	10,645,544	606,980	11,252,524
Total recognised income and expense for the year		-	-	-	(1,059,368)	403,163	10,645,544	9,989,339	668,515	10,657,854
Acquisition of a subsidiary		-	-	-	-	-	-	-	16,525,570	16,525,570
Disposal of subsidiaries		-	-	-	-	(1,905,143)	-	(1,905,143)	(1,729,006)	(3,634,149)
Dividend paid	28	-	-	-	-	-	(1,493,565)	(1,493,565)	(37,440)	(1,531,005)
At 31 December 2005		93,372,791	47,159,654	2,735,056	(198,040)	(1,398,541)	50,612,575	192,283,495	21,316,922	213,600,417

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

+ Consolidated Statement of Changes in Equity

Year Ended 31 December 2006

Group	Note	Share capital \$	Share premium \$	Other capital reserves \$	Fair value reserve \$	Currency translation reserve \$	Accumulated profits \$	Total attributable to equity holders of the Company \$	Minority interests \$	Total equity \$
At 1 January 2006		93,372,791	47,159,654	2,735,056	(198,040)	(1,398,541)	50,612,575	192,283,495	21,316,922	213,600,417
Translation differences relating to financial statements of:										
- subsidiaries		-	-	-	-	(1,341,477)	-	(1,341,477)	(495,895)	(1,837,372)
- associates		-	-	-	-	(788,588)	-	(788,588)	-	(788,588)
Change in fair value of available-for-sale quoted equity securities		-	-	-	(1,430,300)	-	-	(1,430,300)	(69,142)	(1,499,442)
Net gains recognised directly in equity		-	-	-	(1,430,300)	(2,130,065)	-	(3,560,365)	(565,037)	(4,125,402)
Net profit for the year		-	-	-	-	-	8,723,642	8,723,642	1,817,389	10,541,031
Total recognised income and expense for the year		-	-	-	(1,430,300)	(2,130,065)	8,723,642	5,163,277	1,252,352	6,415,629
Transfer of share premium account and capital redemption reserve arising from implementation of the Companies (Amendment) Act 2005		47,419,818	(47,159,654)	(260,164)	-	-	-	-	-	-
Transfer from accumulated profits to general reserve		-	-	150,349	-	-	(150,349)	-	-	-
Acquisition of a subsidiary		-	-	-	-	-	-	-	736,191	736,191
Dividend paid	28	-	-	-	-	-	(2,987,929)	(2,987,929)	(37,440)	(3,025,369)
At 31 December 2006		140,792,609	-	2,625,241	(1,628,340)	(3,528,606)	56,197,939	194,458,843	23,268,025	217,726,868

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

+ Consolidated Cash Flow Statement

Year Ended 31 December 2006

	Note	2006 \$	2005 \$
Operating activities			
Profit for the year		10,541,031	11,252,524
Adjustments for:			
Bad debts written off		83,780	103,136
Depreciation	3	6,734,778	3,899,375
Amortisation of intangible assets	7	1,591,067	1,299,229
Gain on disposal of subsidiaries		-	(48,021)
Impairment loss:			
- non-financial assets		42,053	-
- investment in an associate		-	203,240
Income tax expense		1,629,629	1,769,012
Inventories written off		17,429	44,368
Deferred expenditure written off		319,075	-
Loss on disposal of property, plant and equipment		6,811	44,931
Loss on sale of discontinued operations, net of tax		-	618,014
Negative goodwill arising from acquisition of a subsidiary		-	(7,920,177)
Net finance income	24	(1,420,550)	(220,309)
Property, plant and equipment impaired and written off		675,585	685,340
Share of profit of associates, net of tax		(5,194,684)	(4,748,285)
		<u>15,026,004</u>	<u>6,982,377</u>
Changes in working capital:			
Inventories		6,945,653	(5,725,716)
Trade and other receivables		2,061,744	(1,020,895)
Trade and other payables		(11,524,675)	11,312,662
Cash generated from operations		<u>12,508,726</u>	<u>11,548,428</u>
Income taxes paid		(1,355,789)	(1,324,376)
Cash flows from operating activities		<u>11,152,937</u>	<u>10,224,052</u>

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

+ Consolidated Cash Flow Statement

Year Ended 31 December 2006

	Note	2006 \$	2005 \$
Investing activities			
Disposal of subsidiaries and discontinued operations, net of cash disposed of	29	-	(661,625)
Dividends received		1,999,956	280,204
Acquisition of a subsidiary, net of cash acquired	31	(1,635,907)	(13,776,843)
Interest received		1,308,720	1,206,617
Investment in associate		(1,205,625)	-
Deferred proceeds from disposal of a subsidiary		883,500	-
Proceeds from sale of:			
- associate		588,813	-
- property, plant and equipment		289,347	1,892,132
- quoted equity securities		706,645	1,372,416
- quoted debt securities		-	1,995,620
- unquoted debt securities		4,172,800	-
Purchase of property, plant and equipment		(4,425,630)	(11,964,096)
Purchase of quoted equity securities		(4,152,095)	(3,595)
Purchase of unquoted debt securities		-	(4,204,620)
Cash flows from investing activities		(1,469,476)	(23,863,790)
Financing activities			
Deposits pledged		748,840	(4,450,843)
Dividends paid		(2,987,929)	(1,493,565)
Interest paid		(392,300)	(120,509)
Payment of finance lease liabilities		(39,969)	(119,717)
Proceeds from borrowings		6,788,784	2,379,790
Proceeds from issue of shares, net of issue expense		-	43,000
Repayment of borrowings		(414,337)	(457,614)
Trust receipts		(154,557)	(867,482)
Cash flows from financing activities		3,548,532	(5,086,940)
Net increase/(decrease) in cash and cash equivalents		13,231,993	(18,726,678)
Cash and cash equivalents at beginning of year		30,964,675	49,649,937
Effect of exchange rate fluctuations on cash held		(70,619)	41,416
Cash and cash equivalents at end of year	17	44,126,049	30,964,675

+ Notes to the Financial Statements

Year Ended 31 December 2006

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 March 2007.

1 Domicile and activities

PSC Corporation Ltd (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 its subsidiaries. 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 (together referred to as the Group) and the Group's interests in associates.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements are presented in Singapore dollars which is the Company's functional currency. They have been prepared on the historical cost basis except for certain property, plant and equipment, financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 – assumptions of recoverable amounts relating to goodwill impairment
- Note 13 and 32 – allowance for doubtful receivables
- Note 32 – valuation of financial instruments
- Note 34 – measurement of contingent liabilities

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

New accounting standards and interpretations not yet adopted

The Group has not applied the following accounting standards and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 40 *Investment Property*
- FRS 107 *Financial Instruments: Disclosures* and the Amendment to FRS 1 *Presentation of Financial Statements: Capital Disclosures*
- INT FRS 107 *Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies*
- INT FRS 108 *Scope of FRS 102 Share-based Payment*
- INT FRS 109 *Reassessment of Embedded Derivatives*
- INT FRS 110 *Interim Financial Reporting and Impairment*

FRS 107 and amended FRS 1, which becomes mandatory for the Group's 2007 financial statements, will require additional disclosures with respect to the Group's financial instruments and share capital. This standard does not have any impact on the recognition and measurement of the Group's financial statements.

The initial application of these standards and interpretations are not expected to have any material impact on the Group's financial statements. The entity has not considered the impact of accounting standards issued after the balance sheet date.

2.2 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.2 Consolidation (cont'd)

Associates

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates by the Company

Investments in subsidiaries and associates are stated in the Company's balance sheet at cost less accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and available-for-sale equity instruments (see note 2.7).

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.3 Foreign currencies (cont'd)

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign currency differences are recognised in the currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the income statement.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the net investment is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the profit or loss arising on disposal.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is recognised in the income statement on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.4 Property, plant and equipment (cont'd)

The estimated useful lives are as follows:

Leasehold buildings	Remaining lease periods
Freehold buildings	50 years
Leasehold improvements	Remaining lease periods
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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.5 Intangible assets

Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries and associates.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates is presented together with investments in associates.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 2.10. Negative goodwill is recognised immediately in the income statement.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

i) Trademarks

Trademarks are amortised and recognised in the income statement as an expense using a straight-line method over their useful lives of 3 to 10 years.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.5 Intangible assets (cont'd)

ii) Development costs

The development costs incurred in the development of video programmes, comprising the cost of materials, direct labour and an appropriate proportion of overheads, are stated at cost less accumulated amortisation and impairment losses. Development costs are amortised on a straight-line basis over their estimated useful lives of 2 to 10 years. Amortisation commences when the video programmes are available for sale.

iii) Royalties and licences

Royalties and licences paid to third parties are capitalised and amortised on a straight-line basis over their estimated useful lives of 2 to 10 years.

2.6 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 impairment losses.

2.7 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, ie, the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the cash flow statement, 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 and exclude bank deposits held to secure bank facilities.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.7 Financial instruments (cont'd)

Available-for-sale financial assets

The Group's investments in equity securities and debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchange gains and losses on available-for-sale monetary items (see note 2.3), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, is presented as a deduction from equity. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognised as a change in equity. No gain or loss is recognised in the income statement.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.8 Non-financial assets

Transferable country club memberships are stated at cost less impairment.

2.9 Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

When entities within the Group are lessees of an operating lease

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

2.10 Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.10 Impairment – non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

2.11 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Manufactured corrugated paper products

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials is determined on a specific identification basis. In the case of work-in-progress and finished goods, cost includes raw materials, direct expenditure and an attributable portion of manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Contract work-in-progress

Contract work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Contract costs comprise cost that relate directly to the contracts, cost attributable to the contract activity in general and that can be allocated to the specific contract, and other cost chargeable to the customer within the terms of the contract.

Contract work-in-progress is presented as part of inventories in the balance sheet. If payments received from customers exceed the income recognised, the difference is presented as deferred income in the balance sheet.

2.12 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.12 Employee benefits (cont'd)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.13 Revenue recognition

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

Healthcare consultancy

Revenue arising from healthcare consultancy is recognised when the relevant services are rendered.

2.14 Finance income and expense

Finance income comprises interest income on fixed deposits, dividend income and gains on the disposal of available-for-sale financial assets that are recognised in the income statement. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

+ Notes to the Financial Statements

Year Ended 31 December 2006

2 Summary of significant accounting policies (cont'd)

2.14 Finance income and expense (cont'd)

Finance expenses comprise interest expense on borrowings and impairment losses recognised on financial assets that are recognised in the income statement. All borrowing costs are recognised in the income statement using the effective interest method, 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 be prepared for its intended use or sale.

2.15 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.16 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

2.17 Intra-group financial guarantees

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Group considers these to be insurance arrangements, and accounts for them as such. The Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

+ Notes to the Financial Statements

Year Ended 31 December 2006

3 Property, plant and equipment

Group	Leasehold buildings \$	Freehold land \$	Freehold buildings \$	Leasehold improvements \$
Cost				
At 1 January 2005	11,011,236	2,685,197	43,786,730	4,073,025
Additions	225,593	-	1,158,974	5,560,384
Disposals	-	-	(1,323,651)	-
Assets acquired in business combinations	20,691,728	-	-	-
Disposal of subsidiaries	-	-	(38,551,926)	-
Write-offs	-	-	-	-
Translation differences on consolidation	(154,456)	67,644	469,427	-
At 31 December 2005	31,774,101	2,752,841	5,539,554	9,633,409
Additions	2,644	-	228,146	51,785
Disposals	-	-	-	-
Assets acquired in business combinations	4,871,450	-	-	-
Write-offs	-	-	(8,756)	-
Translation differences on consolidation	(653,906)	(44,404)	(42,436)	-
At 31 December 2006	35,994,289	2,708,437	5,716,508	9,685,194

+ Notes to the Financial Statements

Year Ended 31 December 2006

Renovations \$	Furniture, fittings and office equipment \$	Warehouse equipment \$	Motor vehicles \$	Plant and machinery \$	Computers \$	Total \$
3,684,220	3,622,024	1,889,457	6,564,769	13,564,984	3,198,210	94,079,852
2,549,602	434,252	243,813	949,605	571,028	270,845	11,964,096
(319,047)	(728,146)	(2,479)	(1,216,186)	(681,124)	(80,124)	(4,350,757)
-	1,514,050	180,843	1,085,966	42,097,476	561,860	66,131,923
(60,515)	(15,009)	-	-	(7,016,908)	(14,052)	(45,658,410)
(56,178)	(65,268)	(69,849)	-	(275,461)	(29,928)	(496,684)
5,680	31,890	(2,374)	13,952	(135,133)	11,125	307,755
5,803,762	4,793,793	2,239,411	7,398,106	48,124,862	3,917,936	121,977,775
1,103,978	437,127	158,525	465,015	1,612,813	527,541	4,587,574
(22,145)	(121,392)	-	(336,338)	(93,936)	(246,462)	(820,273)
-	39,441	-	59,891	2,417,472	8,473	7,396,727
(1,247,709)	(845,713)	(499,127)	-	(215,003)	(1,824,092)	(4,640,400)
(5,473)	(32,459)	(5,862)	(28,908)	(995,079)	(7,952)	(1,816,479)
5,632,413	4,270,797	1,892,947	7,557,766	50,851,129	2,375,444	126,684,924

+ Notes to the Financial Statements

Year Ended 31 December 2006

3 Property, plant and equipment (cont'd)

Group	Leasehold buildings \$	Freehold land \$	Freehold buildings \$	Leasehold improvements \$
Accumulated depreciation and impairment losses				
At 1 January 2005	3,668,799	-	4,528,663	1,191,949
Depreciation charge for the year	471,882	-	21,942	181,383
Disposals	-	-	(152,505)	-
Impairment loss	-	571,211	-	-
Assets acquired in business combinations	-	-	-	-
Disposal of subsidiaries	-	-	(1,571,939)	-
Write-offs	-	-	-	-
Translation differences on consolidation	990	-	26,005	-
At 31 December 2005	4,141,671	571,211	2,852,166	1,373,332
Depreciation charge for the year	1,087,184	-	21,243	263,010
Disposals	-	-	-	-
Write-offs	-	-	-	-
Translation differences on consolidation	(15,646)	(8,324)	(3,225)	-
At 31 December 2006	5,213,209	562,887	2,870,184	1,636,342
Carrying amount				
At 1 January 2005	7,342,437	2,685,197	39,258,067	2,881,076
At 31 December 2005	27,632,430	2,181,630	2,687,388	8,260,077
At 31 December 2006	30,781,080	2,145,550	2,846,324	8,048,852

+ Notes to the Financial Statements

Year Ended 31 December 2006

Renovations \$	Furniture, fittings and office equipment \$	Warehouse equipment \$	Motor vehicles \$	Plant and machinery \$	Computers \$	Total \$
1,752,466	1,939,860	1,410,583	2,413,340	9,888,344	1,733,615	28,527,619
463,488	344,116	208,357	776,100	1,013,755	418,352	3,899,375
(86,034)	(415,842)	(1,575)	(1,062,833)	(663,156)	(31,748)	(2,413,693)
-	-	-	-	-	-	571,211
-	1,219,178	129,871	567,426	21,570,222	409,637	23,896,334
(31,984)	(3,916)	-	-	(4,439,077)	(11,067)	(6,057,983)
(13,566)	(19,704)	(69,849)	-	(270,281)	(9,564)	(382,964)
2,016	20,113	(1,697)	2,655	12,073	7,713	69,868
2,086,386	3,083,805	1,675,690	2,696,688	27,111,880	2,516,938	48,109,767
557,380	422,689	115,129	893,020	2,922,138	452,985	6,734,778
(8,497)	(41,373)	-	(196,766)	(94,209)	(183,270)	(524,115)
(1,217,891)	(832,005)	(493,727)	-	(212,189)	(1,209,003)	(3,964,815)
(3,498)	(20,674)	(6,964)	(10,926)	(301,239)	(6,759)	(377,255)
1,413,880	2,612,442	1,290,128	3,382,016	29,426,381	1,570,891	49,978,360
1,931,754	1,682,164	478,874	4,151,429	3,676,640	1,464,595	65,552,233
3,717,376	1,709,988	563,721	4,701,418	21,012,982	1,400,998	73,868,008
4,218,533	1,658,355	602,819	4,175,750	21,424,748	804,553	76,706,564

+ Notes to the Financial Statements

Year Ended 31 December 2006

3 Property, plant and equipment (cont'd)

Company	Leasehold building \$	Leasehold improvements \$	Renovations \$
Cost			
At 1 January 2005	8,500,000	4,073,025	2,315,305
Additions	17,028	5,560,384	2,444,200
Disposals	-	-	(78,637)
At 31 December 2005	8,517,028	9,633,409	4,680,868
Additions	-	51,785	1,067,092
Disposals	-	-	-
Write-offs	-	-	(1,209,626)
At 31 December 2006	8,517,028	9,685,194	4,538,334
Accumulated depreciation			
At 1 January 2005	3,355,263	1,191,949	1,209,082
Depreciation charge for the year	224,185	181,383	247,002
Disposals	-	-	(4,305)
At 31 December 2005	3,579,448	1,373,332	1,451,779
Depreciation charge for the year	224,435	263,010	395,997
Disposals	-	-	-
Write-offs	-	-	(1,179,808)
At 31 December 2006	3,803,883	1,636,342	667,968
Carrying amount			
At 1 January 2005	5,144,737	2,881,076	1,106,223
At 31 December 2005	4,937,580	8,260,077	3,229,089
At 31 December 2006	4,713,145	8,048,852	3,870,366

+ Notes to the Financial Statements

Year Ended 31 December 2006

Furniture, fittings and office equipment \$	Warehouse equipment \$	Motor vehicles \$	Plant and machinery \$	Computers \$	Total \$
1,447,400	661,209	2,281,297	596,904	2,198,036	22,073,176
300,746	157,334	46,526	186,000	187,384	8,899,602
-	-	-	(38,000)	(1,280)	(117,917)
1,748,146	818,543	2,327,823	744,904	2,384,140	30,854,861
68,255	84,130	33,272	-	362,310	1,666,844
(1,436)	-	-	-	(72,573)	(74,009)
(753,784)	(499,127)	-	(128,703)	(1,807,105)	(4,398,345)
1,061,181	403,546	2,361,095	616,201	866,772	28,049,351
878,134	532,414	515,990	457,392	1,054,976	9,195,200
91,734	33,974	230,068	34,622	240,850	1,283,818
-	-	-	(37,999)	(753)	(43,057)
969,868	566,388	746,058	454,015	1,295,073	10,435,961
119,806	42,835	236,815	38,026	325,981	1,646,905
(209)	-	-	-	(14,754)	(14,963)
(751,280)	(493,727)	-	(128,700)	(1,191,979)	(3,745,494)
338,185	115,496	982,873	363,341	414,321	8,322,409
569,266	128,795	1,765,307	139,512	1,143,060	12,877,976
778,278	252,155	1,581,765	290,889	1,089,067	20,418,900
722,996	288,050	1,378,222	252,860	452,451	19,726,942

+ Notes to the Financial Statements

Year Ended 31 December 2006

Included in the carrying amount of property, plant and equipment of the Group are assets with carrying amount of \$514,918 (2005: \$588,345), which are acquired under finance lease.

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$4,587,574 (2005: \$11,964,096), of which \$161,944 (2005: \$Nil) was acquired under finance leases. Cash payments of \$4,425,630 (2005: \$11,964,096) were made to purchase the property, plant and equipment.

The following property, plant and equipment are pledged as security to secured bank loans:

	2006 \$	Group 2005 \$
Leasehold buildings	17,439,380	13,785,932
Plant and machinery	2,213,000	-

4 Subsidiaries

	2006 \$	Company 2005 \$
Equity investments at cost	47,818,055	47,818,055
Impairment losses	(1,600,000)	(2,620,000)
	46,218,055	45,198,055

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group 2006 %	2005 %
@ Topseller Pte Ltd	Marketing and sale of agency lines and proprietary brands	Singapore	100	100
@ Econ Minimart Services Pte Ltd	Dormant	Singapore	100	100
@ Tipex Trading Pte Ltd and its subsidiaries:	Supply of provisions and household products	Singapore	74	74
@ Tips Trading Pte Ltd	Supply of shelving	Singapore	74	74
^ Tips Industry (M) Sdn. Bhd.	Packaging and sale of paper products	Malaysia	74	74
^ Beautex Marketing (M) Sdn. Bhd.	Dormant	Malaysia	74	74
^ Socma Trading (M) Sdn. Bhd. and its subsidiaries:	Marketing and sale of household and consumer products	Malaysia	100	100

+ Notes to the Financial Statements

Year Ended 31 December 2006

4 Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
				2006 %	2005 %
^	Econfood Manufacturing (M) Sdn. Bhd.	Dormant	Malaysia	100	100
^	Fresh Fruit Juice Manufacturing (M) Sdn. Bhd.	Manufacture of grass jelly products	Malaysia	100	100
@	PSC Investment Pte Ltd	Investment holding	Singapore	100	100
@	Fortune Food Manufacturing Pte Ltd and its subsidiary:	Manufacture of soya bean products and noodles	Singapore	100	100
@	Fortune Food Marketing Pte Ltd	Sale of soya bean products and noodles	Singapore	100	100
@	PSC Resort Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
γ	Palm Meadow Sdn. Bhd.	Property investment	Malaysia	100	100
∞	Tat Seng Packaging Group Ltd and its subsidiaries:	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	Singapore	64	64
#	Tat Seng Packaging (Suzhou) Co Ltd	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	People's Republic of China	64	64
o	Hefei Dansun Packaging Co Ltd	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	People's Republic of China	51.2	-
@	Topseller Development Pte Ltd and its subsidiary:	Investment holding	Singapore	100	100
^	Flobina Sdn. Bhd.	Property investment	Malaysia	100	100
@	PSC International Pte Ltd and its subsidiaries:	Investment holding	Singapore	100	100
@	Health Solutions International Pte. Ltd. and its subsidiaries:	Investment holding	Singapore	95	95
Ω	Health Solutions (Malaysia) Sdn. Bhd. and its subsidiaries:	Construction of hospital turnkey projects and provision of health care consultancy and hospital management services	Malaysia	95	95

+ Notes to the Financial Statements

Year Ended 31 December 2006

4 Subsidiaries (cont'd)

Name of subsidiary		Principal activities	Country of incorporation	Effective equity held by the Group	
				2006 %	2005 %
*	Health Solutions Medical Services (Vietnam) Co., Ltd	Provision of healthcare consultancy and healthcare and medical services	Vietnam	95	95
▽	PT Health Solutions Indonesia	Provision of health consultancy services	Indonesia	95	-
@	Education Solutions International Pte. Ltd. and its subsidiaries:	Investment holding	Singapore	100	100
@	InnoForm Media Pte Ltd and its subsidiaries:	Publisher, licensee, importer, exporter and distribution of compact discs, tapes and records of all kinds	Singapore	51	51
β	InnoForm Media (HK) Limited	Publisher, licensee, importer, exporter and distribution of compact discs, tapes and records of all kinds	Hong Kong	51	51
^	InnoForm Media (Taiwan) Co. Limited	Importer, exporter and distribution of compact discs, tapes and records of all kinds	Taiwan	40.8	40.8
^	InnoForm Media (M) Sdn. Bhd.	Production and distribution of tapes and compact discs	Malaysia	51	51
@	InnoForm Entertainment Pte. Ltd.	Collection agent for royalties and digital entertainment online platform	Singapore	51	51
@	I-Econ Management Services Pte. Ltd. and its subsidiary:	Franchise ownership	Singapore	100	100
@	I-View Media Pte. Ltd.	Dormant	Singapore	100	100
@	I-Meat Pte. Ltd.	Dormant	Singapore	100	100
@	PSC Supply Chain Management Pte. Ltd.	Investment holding	Singapore	100	100

+ Notes to the Financial Statements

Year Ended 31 December 2006

4 Subsidiaries (cont'd)

- @ Audited by KPMG Singapore.
- ∞ Audited by Ernst & Young, Singapore.
- ^ Audited by other member firms of KPMG International.
- # Audited by Ernst & Young, People's Republic of China.
- o Audited by Hefei Anhui Zhongan Certified Public Accountants, People's Republic of China.
- Ω Audited by Deloitte & Touche, Malaysia.
- γ Audited by Goh Joon Hai & Co., Malaysia.
- * Audited by Grant Thornton, Vietnam.
- ▽ Audited by Grant Thornton, Indonesia.
- β Audited by Keith Lam & Co., Hong Kong.

5 Associates

	Group		Company
	2006 \$	2005 \$	2006 \$
	2006 \$	2005 \$	2006 \$
Investment in associates	48,223,638	45,691,947	27,163,530
	27,163,530	27,163,530	27,163,530

Investment in associates at 31 December 2006 include goodwill of \$1,032,462 (2005: \$897,000).

Details of significant associates are as follows:

Name of associate	Principal activities	Country of incorporation	-- Effective equity held by --			
			the Group	the Group	the Company	the Company
			2006	2005	2006	2005
			%	%	%	%
& Health Solutions (Australia) Pty Ltd) Provision of health) care consultancy) and hospital) management) services	Australia	46.5	46.5	-	-
~ Health Solutions (WA) Pty Ltd))	Australia	44.5	38.9	-	-
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	-	-

+ Notes to the Financial Statements

Year Ended 31 December 2006

5 Associates (cont'd)

Name of associate	Principal activities	Country of incorporation	-- Effective equity held by --			
			the Group 2006 %	2005 %	the Company 2006 %	2005 %
α HSI Philippines Inc.	Advisory and management services to hospitals, healthcare facilities and medical establishments	Philippines	38	38	-	-
√ Harbin Puwei Real Estate Development Co Ltd	Development of property	People's Republic of China	40	40	-	-
Δ Hainan Groupforce Laboratories Co Ltd	Manufacture and export of green tea extract	People's Republic of China	22	-	-	-
+ Longkou Luzhibei Preserved Fruit Company Limited	Manufacture and distribution of preserved fruits	People's Republic of China	40	40	-	-
# Sanya Fu Dao Tourism Co Ltd	Dormant	People's Republic of China	-	40	-	-
+ Topseller Chemical (China) Company Limited	Supply of washing powder and detergents	People's Republic of China	40	40	-	-
o Youcan E-Distribution Network Co Ltd	Distribution, wholesale and retail of fast moving consumer products (food and non-food)	People's Republic of China	20	-	-	-
** Intraco Limited	Engineering and projects packaging, trading of food and food processing, systems integrator, specialised distributor of telecommunication, data communication and semiconductor products, and commodities trading	Singapore	29.9	29.9	29.9	29.9
ℓ China Worldbest Health Solutions Holding Co Ltd	Consulting, contract management, and supplies and hospital ownership and operation	People's Republic of China	31.3	31.3	31.3	31.3

+ Notes to the Financial Statements

Year Ended 31 December 2006

5 Associates (cont'd)

- & Not required to be audited by law of country of incorporation.
- ~ Audited by Ernst & Young, Australia.
- Ω Audited by Deloitte & Touche, Malaysia.
- α Audited by Jaime B Santos & Associates, Philippines.
- ✓ Audited by Harbin Public Accountant Office, People's Republic of China.
- △ Audited by Hainan Haizheng Accounting firm, People's Republic of China.
- + Audited by Yantai Yiji Accounting firm, People's Republic of China.
- # Audited by Sanya Tianya CPA Office, People's Republic of China.
- o Audited by Hangzhou Dai Accounting firm, People's Republic of China.
- ** Audited by KPMG Singapore.
- ℓ Audited by Zhong Xing Cai Certified Public Accountants Co Ltd., People's Republic of China.

The summarised financial information of the associates is as follows:

	2006 \$	Associates 2005 \$
Assets and liabilities		
Total assets	280,129,426	222,337,327
Total liabilities	124,341,772	77,774,156
Results		
Revenue	555,562,054	480,355,998
Profit after taxation	20,905,774	17,261,557

The summarised financial information relating to associates is not adjusted for the percentage of ownership held by the Group.

The Group has not recognised losses relating to certain associates where the Group's share of losses exceeds the carrying amount of its investment in those associates. The Group's share of cumulative unrecognised losses is \$1,726,403 (2005: \$1,842,878), of which \$10,619 (2005: \$177,173) is its share of the current year's losses. The Group has no obligation in respect of these losses.

6 Other financial assets

	2006 \$	Group 2005 \$	2006 \$	Company 2005 \$
Non-current investments				
Available-for-sale equity securities	13,668,881	10,920,215	2,480,300	-
Current investments				
Available-for-sale debt securities	-	4,198,675	-	4,198,675
Available-for-sale equity securities	-	514,837	-	514,837
	-	4,713,512	-	4,713,512

+ Notes to the Financial Statements

Year Ended 31 December 2006

7 Intangible assets

Group	Goodwill on consolidation \$	Trademarks \$	Development costs \$	Royalties \$	Licences \$	Total \$
Cost						
At 1 January 2005	1,248,287	363,050	633,353	985,090	2,242,418	5,472,198
Disposal of subsidiary	(139,597)	-	-	-	-	(139,597)
Additions	-	-	338,955	177,206	1,947,787	2,463,948
Translation differences	-	-	60	961	18,977	19,998
At 31 December 2005	1,108,690	363,050	972,368	1,163,257	4,209,182	7,816,547
Additions	608,447	-	647,127	58,125	2,208,985	3,522,684
Translation differences	(9,900)	-	(13,055)	(1,853)	(131,414)	(156,222)
At 31 December 2006	1,707,237	363,050	1,606,440	1,219,529	6,286,753	11,183,009
Accumulated amortisation						
At 1 January 2005	15,123	363,050	249,932	611,530	987,453	2,227,088
Disposal of subsidiary	(15,123)	-	-	-	-	(15,123)
Amortisation charge for the year	-	-	231,705	251,849	815,675	1,299,229
Translation differences	-	-	(286)	442	8,289	8,445
At 31 December 2005	-	363,050	481,351	863,821	1,811,417	3,519,639
Amortisation charge for the year	-	-	206,837	137,626	1,246,604	1,591,067
Translation differences	-	-	(5,968)	(1,854)	(81,675)	(89,497)
At 31 December 2006	-	363,050	682,220	999,593	2,976,346	5,021,209
Carrying amount						
At 1 January 2005	1,233,164	-	383,421	373,560	1,254,965	3,245,110
At 31 December 2005	1,108,690	-	491,017	299,436	2,397,765	4,296,908
At 31 December 2006	1,707,237	-	924,220	219,936	3,310,407	6,161,800

Impairment tests for cash-generating units containing goodwill

Goodwill is primarily allocated to the cash-generating units within the media and packaging business segments operating largely in Singapore and China respectively.

The recoverable amount of the cash-generating units is based on value-in-use. These calculations use cash flow projections based on financial budgets approved by the Group's management covering a three-year period for the media segment and a five-year period for the packaging business. The key assumptions used are as follow:

	Gross margin %	Growth rate %	Discount rate %
2006			
Media	62	3	7
Packaging	10	10	10
2005			
Media	60	3	5

Management determined the key assumptions based on past performance and its expectations of market developments, and the specific risks relating to the segments.

+ Notes to the Financial Statements

Year Ended 31 December 2006

8 Deferred taxation

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

Group	At 1 January 2005 \$	Recognised in income statement (Note 25) \$	Acquisition of subsidiary \$	Translation differences \$	At 31 December 2005 \$	Recognised in income statement (Note 25) \$	Acquisition of subsidiary \$	Translation differences \$	At 31 December 2006 \$
Deferred tax assets									
Property, plant and equipment	8,336	63,022	-	-	71,358	17,340	-	(1,473)	87,225
Other financial assets	127,339	(50,227)	-	-	77,112	(10,558)	-	-	66,554
Tax value of loss carry forward	1,107,111	(7,111)	-	-	1,100,000	(231,403)	-	-	868,597
Other items	126,212	(23,289)	-	626	103,549	(32,628)	-	-	70,921
Total	1,368,998	(17,605)	-	626	1,352,019	(257,249)	-	(1,473)	1,093,297
Deferred tax liabilities									
Property, plant and equipment	(605,275)	(159,924)	(4,417,214)	(1,377)	(5,183,790)	481,825	(360,817)	(11,309)	(5,074,091)
Intangible assets	(284,976)	(68,945)	-	-	(353,921)	(427,722)	-	1,720	(779,923)
Other financial assets	-	(27,318)	-	-	(27,318)	(121,087)	-	-	(148,405)
Total	(890,251)	(256,187)	(4,417,214)	(1,377)	(5,565,029)	(66,984)	(360,817)	(9,589)	(6,002,419)

+ Notes to the Financial Statements

Year Ended 31 December 2006

8 Deferred taxation (cont'd)

Company	At 1 January 2005 \$	Recognised in income statement \$	At 31 December 2005 \$	Recognised in income statement \$	At 31 December 2006 \$
Deferred tax assets					
Other financial assets	120,493	(46,218)	74,275	(74,275)	-
Other items	32,114	34,288	66,402	(19,900)	46,502
Total	152,607	(11,930)	140,677	(94,175)	46,502
Deferred tax liabilities					
Property, plant and equipment	(196,805)	(252,696)	(449,501)	177,786	(271,715)
Other financial assets	-	(27,959)	(27,959)	(121,962)	(149,921)
Total	(196,805)	(280,655)	(477,460)	55,824	(421,636)

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 included in the balance sheet as follows:

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Deferred tax liabilities	5,890,427	5,389,460	375,134	336,783
Deferred tax assets	981,305	1,176,450	-	-

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

	Group	
	2006 \$	2005 \$
Tax losses	4,252,189	4,804,003
Deductible temporary differences	(10,414)	140,101
	4,241,775	4,944,104

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation. 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 Group can utilise the benefits.

+ Notes to the Financial Statements

Year Ended 31 December 2006

9 Non-financial assets

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Transferable country club memberships	353,123	395,176	45,000	45,000

10 Property held for development

	2006 \$	2005 \$
Land and other related costs:		
At 1 January	594,327	581,134
Translation differences	(8,660)	13,193
At 31 December	585,667	594,327

11 Inventories

	Note	Group		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
Raw materials		8,240,691	6,088,407	-	-
Work-in-progress		234,489	209,936	-	-
Finished goods		20,433,762	28,365,844	6,803,598	9,923,878
Packing materials		281,954	330,735	-	-
		29,190,896	34,994,922	6,803,598	9,923,878
Contract work-in-progress	12	314,054	440,445	-	-
		29,504,950	35,435,367	6,803,598	9,923,878

12 Contract work-in-progress

	2006 \$	2005 \$
Project costs	314,054	23,924,175
Attributable profit	-	3,349,485
	314,054	27,273,660
Progress billings	-	(26,833,215)
	314,054	440,445

+ Notes to the Financial Statements

Year Ended 31 December 2006

13 Trade and other receivables

	Note	Group 2006 \$	Group 2005 \$	Company 2006 \$	Company 2005 \$
Trade receivables		50,658,786	47,942,645	8,023,444	8,732,617
Allowance for doubtful receivables		(2,690,213)	(2,676,060)	(547,088)	(497,806)
Net trade receivables		47,968,573	45,266,585	7,476,356	8,234,811
Deposits, prepayments and others receivables	14	4,356,880	10,483,600	472,919	7,275,564
Amounts due from:					
- subsidiaries	15	-	-	33,117,504	38,750,929
- associates	16	7,762,726	7,485,722	57,739	57,739
		60,088,179	63,235,907	41,124,518	54,319,043

Receivables denominated in currencies other than the respective functional currencies of the Group entities comprise \$485,351 (2005: \$479,186) of trade receivables denominated in United States dollars and \$55,305 (2005: \$99,981) of trade receivables denominated in Brunei dollars.

14 Deposits, prepayments and other receivables

	Group 2006 \$	Group 2005 \$	Company 2006 \$	Company 2005 \$
Deposits	918,410	7,204,811	83,386	6,532,698
Prepayments	1,072,853	879,665	99,838	243,444
Non-trade receivables	2,334,459	2,257,497	259,479	359,626
Interest receivable	31,158	141,627	30,216	139,796
	4,356,880	10,483,600	472,919	7,275,564

15 Amounts due from subsidiaries

	Company 2006 \$	Company 2005 \$
Interest-bearing loans	5,000,000	5,000,000
Current accounts:		
- trade	1,468,149	5,298,629
- non-trade	36,606,355	38,757,300
	43,074,504	49,055,929
Allowance for doubtful receivables	(9,957,000)	(10,305,000)
	33,117,504	38,750,929

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The interest-bearing loans are unsecured and repayable on demand. At the balance sheet date, the loans bear interest of 5% (2005: 5%) per annum on \$5,000,000 (2005: \$5,000,000).

+ Notes to the Financial Statements

Year Ended 31 December 2006

16 Amounts due from associates

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Current accounts:				
- non-trade	7,762,726	7,485,722	57,739	57,739

The non-trade amounts due from associates are unsecured, interest-free and repayable on demand.

17 Cash and cash equivalents

	Note	Group		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
Cash at bank and in hand		13,982,413	6,957,372	780,100	567,273
Fixed deposits with banks		35,324,245	29,513,220	26,722,184	17,621,266
		49,306,658	36,470,592	27,502,284	18,188,539
Bank overdrafts	21	(1,478,606)	(1,055,074)	-	-
Deposits pledged		(3,702,003)	(4,450,843)	-	-
		44,126,049	30,964,675	27,502,284	18,188,539

The weighted average effective interest rates per annum relating to cash and cash equivalents, excluding bank overdrafts, at the balance sheet date for the Group and Company are 3.17% (2005: 2.50%) and 3.18% (2005: 2.67%) respectively. Interest rates are repriced at intervals of up to one month.

Bank deposits pledged represents amounts pledged as security by certain subsidiaries to obtain credit facilities.

18 Share capital

	Group and Company	
	2006 No. of shares	2005 No. of shares
Issued and fully-paid:		
At 1 January	1,867,455,825	1,866,955,825
Exercise of shares options	-	500,000
At 31 December	1,867,455,825	1,867,455,825

On the date of commencement of the Companies (Amendment) Act 2005 on 30 January 2006:

- (a) the concept of authorised share capital was abolished;
- (b) shares of the Company ceased to have par value; and
- (c) the amount standing to the credit of the Company's share premium account and capital redemption reserve became part of the Company's share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

+ Notes to the Financial Statements

Year Ended 31 December 2006

19 Equity compensation benefits

The PSC Executives' Share Option Scheme (the Scheme) of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 8 July 2003. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Tao Yeoh Chi (Chairman), Chee Teck Kwong Patrick and John Chen Seow Phun.

The Company's employees who are given awards in the Scheme are granted options to buy shares in the Company. The options can only be exercised after a certain period (the "Option Period"), depending on the type of options granted to the employees. During the Option Period, the employees have no right to the shares or the ability to exercise any rights of a shareholder.

Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 5 business days immediately preceding the date of grant ("Market Price") or at a price of up to 20% discount of the Market Price.

Under the Scheme, a non-discounted option vests 1 year after the date of grant and a discounted option vests 2 years after the date of grant. Unless they are cancelled or have lapsed prior to the expiry date, options granted will expire 120 months after the date of grant, except for options granted to non-executive directors which will expire 60 months after the date of grant.

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 01/01/2006	Options cancelled	Options exercised	Options outstanding at 31/12/2006	Number of option holders at 31/12/2006	Exercise period
20/08/2003	\$0.086	19,650,000	-	-	19,650,000	23	20/08/2004 – 19/08/2013
20/08/2003	\$0.085	4,000,000	-	-	4,000,000	3	20/08/2004 – 19/08/2008
		23,650,000	-	-	23,650,000		

20 Reserves

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Share premium	-	47,159,654	-	46,808,868
Other capital reserves	2,625,241	2,735,056	-	610,950
Fair value reserve	(1,628,340)	(198,040)	(380,612)	-
Currency translation reserve	(3,528,606)	(1,398,541)	-	-
Accumulated profits	56,197,939	50,612,575	7,310,579	9,247,861
	53,666,234	98,910,704	6,929,967	56,667,679

+ Notes to the Financial Statements

Year Ended 31 December 2006

20 Reserves (cont'd)

The currency translation reserve comprises:

- (a) exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company; and
- (b) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Other capital reserves comprise mainly of the reserve arising from bonus shares issued by a subsidiary and transfers from accumulated profits. In accordance with the relevant People's Republic of China (PRC) regulations and the articles of association, certain subsidiaries are required to appropriate at least 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations applicable to the subsidiaries, to the other capital reserves until such reserve reaches 50% of the registered capital. The appropriation for other capital reserves will be made based on its profit after tax of the annual statutory financial statements of the subsidiaries.

The accumulated profits of the Group includes an amount of \$15,477,839 (2005: \$10,250,467) attributable to associates.

21 Financial liabilities

	Note	2006 \$	Group 2005 \$
Non-current liabilities			
Secured bank loans		1,932,288	1,424,448
Unsecured bank loans		981,000	-
Finance lease liabilities		186,307	199,163
		3,099,595	1,623,611
Current liabilities			
Bank overdrafts	17	1,478,606	1,055,074
Secured bank loans		4,033,969	1,259,298
Unsecured bank loans		1,962,710	-
Bank term draft		11,125,374	5,833,724
Trust receipts		-	156,843
Finance lease liabilities		112,565	142,354
		18,713,224	8,447,293
Total loans and borrowings		21,812,819	10,070,904

Borrowings (excluding finance lease liabilities)

- (i) Included in bank overdrafts of the Group is an amount of \$583,575 (2005: \$824,000), secured by a standby letter of credit from a bank of \$1,470,000 (2005: \$1,470,000) which is guaranteed by the Company.

+ Notes to the Financial Statements

Year Ended 31 December 2006

21 Financial liabilities (cont'd)

(ii) The secured bank loans comprise:

(a) Term loans of \$2,212,219 (2005: \$2,271,546), secured by the following:

- (1) leasehold building held by a subsidiary with a carrying amount of \$1,650,380 (2005: \$1,679,932) as at 31 December 2006;
- (2) property with a market value of \$2,100,000 (2005: \$2,100,000) owned by a minority shareholder which is also used to secure the overdraft of \$385,513 (2005: \$231,372) of the subsidiary; and
- (3) corporate guarantee from the Company and personal guarantee from a minority shareholder.

The term loans are repayable by monthly installments over a period of 5 years.

(b) Term loans amounting to \$3,754,038 (2005: \$412,200), secured by the leasehold land, leasehold building and certain plant and machinery held by a subsidiary with carrying amount of approximately RMB35,327,000 or \$6,933,000 (2005: RMB58,737,000 or \$12,106,000). These loans are repayable over a period of one month to two years.

(iii) The bank term draft of \$11,125,374 (2005: \$5,833,724) with original term of 1 to 6 months is secured by the leasehold land, certain leasehold buildings and certain plant and machinery held by subsidiaries with carrying amount of approximately RMB91,925,000 or \$18,002,000 (2005: RMB58,737,000 or \$12,106,000) and bank deposits of \$3,702,003 (2005: \$4,450,843).

Finance lease liabilities

At 31 December 2006, the Group has obligations under finance leases that are payable as follows:

Group	Payments \$	2006 Interest \$	Principal \$	Payments \$	2005 Interest \$	Principal \$
Payable within 1 year	136,546	23,981	112,565	170,895	28,541	142,354
Payable after 1 year but within 5 years	197,794	29,324	168,470	226,570	34,960	191,610
Payable after 5 years	18,600	763	17,837	7,738	185	7,553
Total	352,940	54,068	298,872	405,203	63,686	341,517

Effective interest rates and repricing analysis

Group	Effective interest rate %	Floating interest \$	Fixed interest maturing within 1 year \$	1 to 5 years \$	after 5 years \$	Total \$
2006						
Bank overdrafts	4.25 – 7.08	1,478,606	-	-	-	1,478,606
Secured/unsecured bank loans:						
- RMB fixed rate loans	3.74 – 6.44	-	4,906,762	1,790,986	-	6,697,748
- S\$ floating rate loans	4.75 – 5.60	2,212,219	-	-	-	2,212,219
Finance lease liabilities	4.99 – 9.52	-	70,470	132,324	96,078	298,872
Bank term drafts	0.05 – 0.375	-	11,125,374	-	-	11,125,374
		3,690,825	16,102,606	1,923,310	96,078	21,812,819

+ Notes to the Financial Statements

Year Ended 31 December 2006

21 Financial liabilities (cont'd)

Group	Effective interest rate %	Floating interest \$	Fixed interest maturing within 1 year \$	1 to 5 years \$	after 5 years \$	Total \$
2005						
Bank overdrafts	6.00 – 6.50	1,055,074	-	-	-	1,055,074
Secured/unsecured bank loans:						
- RMB fixed rate loans	5.22	-	412,200	-	-	412,200
- \$\$ floating rate loans	4.75 – 6.50	2,271,546	-	-	-	2,271,546
Trust receipts	3.85 – 5.55	156,843	-	-	-	156,843
Finance lease liabilities	2.50 – 6.90	-	142,355	199,162	-	341,517
Bank term drafts	0.05 – 0.375	-	5,833,724	-	-	5,833,724
		3,483,463	6,388,279	199,162	-	10,070,904

22 Trade and other payables

	2006 \$	Group 2005 \$	2006 \$	Company 2005 \$
Trade payables	25,799,553	34,002,556	8,771,620	10,491,057
Retention monies payable	174,949	569,312	-	-
Amounts due to:				
- subsidiaries (trade)	-	-	533,567	636,236
- subsidiaries (non-trade)	-	-	7,145,575	10,954,798
- associates (non-trade)	-	29,618	-	-
- minority shareholder of a subsidiary (non-trade)	1,000,000	1,000,000	-	-
Other payables	5,843,388	7,157,796	3,574,580	4,022,311
Accruals	8,718,775	7,191,751	2,611,672	2,677,563
	41,536,665	49,951,033	22,637,014	28,781,965

The non-trade amounts due to subsidiaries, associates and minority shareholder of a subsidiary are unsecured, interest-free and repayable on demand.

Payables denominated in currencies other than the respective functional currencies of the Group entities comprise \$5,092,126 (2005: \$12,782,698) of trade payables denominated in United States dollars and \$300,444 (2005: \$269,547) of trade payables denominated in various other foreign currencies.

+ Notes to the Financial Statements

Year Ended 31 December 2006

23 Revenue

	2006 \$	Group 2005 \$
Sale of goods	224,321,144	168,898,627
Revenue from construction contracts and healthcare consultancy	4,221,923	817,015
Fee income from education business	-	74,362
	228,543,067	169,790,004

24 Finance income and expense

	2006 \$	Group 2005 \$
Interest income:		
- available-for-sale debt securities	27,773	377,720
- fixed deposits	1,170,478	797,751
Dividend income	17,214	387,798
Gain on disposal of:		
- available-for-sale debt securities	118,347	-
- available-for-sale equity securities	196,645	-
Movement in receivables carried at amortised cost	333,485	-
Finance income	1,863,942	1,563,269
Interest expense:		
- bank borrowings	375,099	238,792
- finance lease liabilities	68,293	47,622
Loss on disposal of available-for-sale equity securities	-	200,197
Impairment loss on:		
- available-for-sale equity securities	-	123,550
- available-for-sale debt securities	-	118,327
Fair value loss on available-for-sale equity securities	-	126,278
Movement in receivables carried at amortised cost	-	488,194
Finance expense	443,392	1,342,960
Net finance income	1,420,550	220,309

+ Notes to the Financial Statements

Year Ended 31 December 2006

25 Income tax expense

	2006 \$	Group 2005 \$
Current tax expense		
Current year	1,446,283	1,544,025
Adjustment for prior years	(140,887)	(48,805)
	1,305,396	1,495,220
Deferred tax expense		
Origination and reversal of temporary differences	912,078	500,251
Benefit of tax losses recognised	-	(166,572)
Adjustment for prior years	(140,917)	(59,887)
Utilisation of previously unrecognised tax losses	(446,928)	-
	324,233	273,792
Income tax expense from continuing operations	1,629,629	1,769,012
Income tax expense		
- continuing operations	1,629,629	1,769,012
- discontinued operations	-	-
	1,629,629	1,769,012

Reconciliation of effective tax rate

	2006 \$	Group 2005 \$
Profit for the year	10,541,031	11,252,524
Total income tax expense	1,629,629	1,769,012
Profit excluding income tax	12,170,660	13,021,536
Tax calculated using Singapore tax rate of 20%	2,434,132	2,604,307
Effect of different tax rates in other countries	239,610	218,108
Income not subject to tax	(123,567)	(1,900,257)
Tax effect on share of profit of associates	(1,038,937)	(949,657)
Deferred tax benefit not recognised	-	603,210
Expenses not deductible for tax purposes	1,517,233	1,427,922
Benefit of tax losses recognised	-	(166,572)
Tax rebate	(705,369)	-
Adjustment for prior years	(281,804)	(108,692)
Utilisation of previously unrecognised tax losses	(446,928)	-
Others	35,259	40,643
	1,629,629	1,769,012

+ Notes to the Financial Statements

Year Ended 31 December 2006

26 Profit for the year

The following items have been included in arriving at profit for the year:

	2006 \$	Group 2005 \$
Amortisation of:		
- development cost	206,837	231,705
- licences	1,246,604	815,675
- royalties	137,626	251,849
Bad debts recovered (trade)	-	(20,944)
Bad debts written off	83,780	103,136
Consultancy fees paid to a director of a subsidiary	-	10,556
Depreciation of property, plant and equipment	6,734,778	3,899,375
Exchange loss/(gain)	69,442	(519,442)
Loss/(gain) on disposal of:		
- property, plant and equipment	6,811	44,931
- subsidiaries	-	(48,021)
- discontinued operations, net of tax	-	618,014
Impairment loss on property, plant and equipment	-	571,211
Impairment loss on:		
- non-financial assets	42,053	-
- investment in an associate	-	203,240
Inventories written off	17,429	44,368
Negative goodwill on acquisition of a subsidiary	-	(7,920,177)
Non-audit fees paid to:		
- auditors of the Company	37,199	25,693
- other auditors	-	3,504
Operating lease expenses	1,298,258	1,491,398
Property, plant and equipment written off	675,585	114,129
Staff costs	27,037,686	22,331,493
Contribution to defined contribution plans included in staff costs	2,136,257	1,383,251

+ Notes to the Financial Statements

Year Ended 31 December 2006

27 Earnings per share

	2006 \$	Group 2005 \$
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	8,723,642	10,645,544
	No. of shares	No. of shares
Weighted average number of shares outstanding during the year	1,867,455,825	1,867,198,291

Options to purchase 19,650,000 ordinary shares at \$0.086 per share and 4,000,000 ordinary shares at \$0.085 per share were outstanding as at 31 December 2006 but were not included in the computation of diluted earnings per share because these options were antidilutive.

Earnings per share for continuing operations

For the year ended 31 December 2005, earnings per share for continuing operations had been calculated using the same weighted average number of outstanding shares of 1,867,198,291 during the year. The profit for the period used in the calculation of continuing operations was \$11,430,418.

+ Notes to the Financial Statements

Year Ended 31 December 2006

28 Dividends

	2006 \$	2005 \$
Final dividend paid of 0.10 cents per share, less tax at 20% in respect of 2004	-	1,493,565
Final dividend paid of 0.20 cents per share, less tax at 20% in respect of 2005	2,987,929	-
	<u>2,987,929</u>	<u>1,493,565</u>

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

	2006 \$	2005 \$
Final dividend proposed of 0.20 cents (2005: 0.20 cents) per share less tax at 18% (2005: 20%)	<u>3,062,628</u>	<u>2,987,929</u>

29 Discontinued operations / disposal of subsidiaries

Discontinued operations

In 2005, the Group sold its subsidiary, The Playford Hotel Pty Ltd, comprising its Hotel division – a separate business segment. The consideration for the disposal was scheduled to be received as follows:

- a. S\$959,250 on disposal
- b. A\$750,000 by 30 June 2006
- c. A\$750,000 by 30 June 2007
- d. A\$3,750,000 by 30 June 2008

The results of the discontinued operations in 2005 up to the date of disposal were as follows:

	2005 \$
Revenue	6,033,992
Expenses	<u>(6,200,852)</u>
Loss before taxation from discontinued operations	(166,860)
Income tax expense	<u>-</u>
Loss after tax from discontinued operations but before loss on sale of discontinued operations	(166,860)
Loss on sale of discontinued operations	(618,014)
Loss for the year from discontinued operations	<u>(784,874)</u>
Operating cash flows	1,272,864
Investing cash flows	-
Financing cash flows	(256,240)
Total cash flows	<u>1,016,624</u>

+ Notes to the Financial Statements

Year Ended 31 December 2006

29 Discontinued operations / disposal of subsidiaries (cont'd)

Disposal of other subsidiaries

In 2005, the Group also disposed of its shareholdings in Cornell Education Group Pte Ltd and was in the process of deregistering the following subsidiaries under the Singapore Companies Act, Chapter 50:

- A.T. Chemical Pte Ltd
- Mountain Investment Pte Ltd
- PSC Tibbett & Britten Logistics Pte Ltd

These subsidiaries are in the process of deregistration in 2006.

The effects of the disposal of the discontinued operations and other subsidiaries were as follows:

	2005 \$
Property, plant and equipment	39,600,427
Other assets	435,507
Inventories	259,897
Trade and other receivables	1,637,152
Cash and cash equivalents	1,929,204
Trade and other payables	(4,312,235)
Interest-bearing liabilities	(27,327,996)
Minority interests	(1,729,006)
Net assets disposed of	10,492,950
Realised exchange gain on disposal	(1,905,143)
Loss on disposal	(569,993)
Total cash consideration	8,017,814
 Cash consideration received	 1,267,579
Cash and cash equivalents disposed of	(1,929,204)
Net cash outflow	(661,625)

+ Notes to the Financial Statements

Year Ended 31 December 2006

30 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 interest-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

During the financial year, the Company reviewed the various activities of the Group and regrouped the business activities as follow to have a better analysis of performance:

I Consumer Essentials

Consumer Business : Supply of provisions and household consumer products, retail franchising, manufacture and sale of soya bean products, noodles. Development, distribution and licensing of education and entertainment products.

Health Solutions : Construction of hospital turnkey projects and provision of health-care consultancy and hospital management services.

II Strategic Investments

Packaging : Manufacture and sale of corrugated paper products and other packaging products.

Geographical segments

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

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

Year Ended 31 December 2006

30 Segment information (cont'd)

Group	Consumer Essentials		Strategic Investments		Total continuing operations \$	Hotel (Discontinued) \$	Total operations \$
	Consumer Business \$	Health Solutions \$	Packaging \$	Others \$			
2006							
Revenue and expenses							
Total revenue	169,508,666	4,221,923	54,812,478	-	228,543,067	-	228,543,067
Segment results	3,284,661	(167,355)	2,467,861	12,309	5,597,476	-	5,597,476
Unallocated results					(42,050)	-	(42,050)
Results from operating activities					5,555,426	-	5,555,426
Net finance income					1,420,550	-	1,420,550
Share of profit of associates					5,194,684	-	5,194,684
Income tax expense					(1,629,629)	-	(1,629,629)
Profit for the year					10,541,031	-	10,541,031
2005							
Revenue and expenses							
Total revenue	158,087,847	817,014	10,885,143	-	169,790,004	6,033,992	175,823,996
Segment results	3,315,321	(1,911,068)	178,590	(461,964)	1,120,879	427,423	1,548,302
Unallocated results					7,716,937	-	7,716,937
Results from operating activities					8,837,816	427,423	9,265,239
Net finance income					220,309	(594,283)	(373,974)
Share of profit of associates					4,748,285	-	4,748,285
Income tax expense					(1,769,012)	-	(1,769,012)
Profit/(loss) after tax					12,037,398	(166,860)	11,870,538
Loss on sale of discontinued operations					-	(618,014)	(618,014)
Profit for the year					12,037,398	(784,874)	11,252,524

+ Notes to the Financial Statements

Year Ended 31 December 2006

30 Segment information (cont'd)

Group	Consumer Essentials		Strategic Investments		Total continuing operations \$	Hotel (Discontinued) \$	Total operations \$
	Consumer Business \$	Health Solutions \$	Packaging \$	Others \$			
2006							
Assets							
Segment assets	129,961,459	8,433,786	75,532,820	7,930,050	221,858,115	-	221,858,115
Investments in associates	11,017	22,294,608	-	25,918,013	48,223,638	-	48,223,638
Unallocated assets					19,461,046	-	19,461,046
Total assets					289,542,799	-	289,542,799
Liabilities							
Segment liabilities	32,365,109	654,374	8,509,579	7,603	41,536,665	-	41,536,665
Unallocated liabilities					30,279,266	-	30,279,266
Total liabilities					71,815,931	-	71,815,931
2005							
Assets							
Segments assets	134,138,473	8,264,747	63,004,907	8,029,059	213,437,186	-	213,437,186
Investments in associates	-	21,351,237	-	24,340,710	45,691,947	-	45,691,947
Unallocated assets					22,236,557	-	22,236,557
Total assets					281,365,690	-	281,365,690
Liabilities							
Segment liabilities	40,215,380	1,022,226	8,705,884	7,543	49,951,033	-	49,951,033
Unallocated liabilities					17,814,240	-	17,814,240
Total liabilities					67,765,273	-	67,765,273

+ Notes to the Financial Statements

Year Ended 31 December 2006

30 Segment information (cont'd)

Group	Consumer Essentials		Strategic Investments		Total continuing operations \$	Hotel (Discontinued) \$	Total operations \$
	Consumer Business \$	Health Solutions \$	Packaging \$	Others \$			
2006							
Other segment information							
Amortisation	1,591,067	-	-	-	1,591,067	-	1,591,067
Depreciation of property, plant and equipment	2,883,986	127,104	3,723,688	-	6,734,778	-	6,734,778
Capital expenditure	3,126,792	16,318	1,216,318	228,146	4,587,574	-	4,587,574
Other non-cash expenses	488,379	644,249	75,282	6,270	1,214,180	-	1,214,180
2005							
Other segment information							
Amortisation	1,299,229	-	-	-	1,299,229	-	1,299,229
Depreciation of and impairment loss on property, plant and equipment	2,902,777	176,229	820,369	-	3,899,375	382,834	4,282,209
Capital expenditure	10,305,932	87,534	420,542	1,150,088	11,964,096	-	11,964,096
Other non-cash expenses	559,237	599,286	1,002	978,103	2,137,628	-	2,137,628

+ Notes to the Financial Statements

Year Ended 31 December 2006

30 Segment information (cont'd)

Geographical segments

2006	Singapore \$	Malaysia \$	China \$	Total continuing operations \$	Hotel (Discontinued) \$	Total operations \$
Revenue from external customers	145,348,784	43,027,047	40,167,236	228,543,067	-	228,543,067
Segment assets	127,425,478	38,516,550	55,916,087	221,858,115	-	221,858,115
Capital expenditure	1,848,875	1,518,308	1,220,391	4,587,574	-	4,587,574
2005						
Revenue from external customers	122,685,082	38,246,314	8,858,608	169,790,004	6,033,992	175,823,996
Segment assets	156,460,551	40,510,071	16,466,564	213,437,186	-	213,437,186
Capital expenditure	9,174,603	2,359,963	429,530	11,964,096	-	11,964,096

31 Acquisition of Subsidiary

Acquisition in 2006

On 26 September 2006, the Group acquired 80% of the shares of Hefei Dansun Packaging Co., Ltd, an unlisted company based in the People's Republic of China specialising in the manufacture of corrugated paper cartons.

During the period from 1 October to 31 December 2006, Hefei Dansun Packaging Co., Ltd has contributed \$80,255 to the net profit of the Group. If the combination had taken place at the beginning of the year, the profit for the Group attributable to shareholders would have been \$8,756,631 and revenue from continuing operations would have been \$234,804,055.

The goodwill of \$608,447 arising from the acquisition of Hefei Dansun Packaging Co., Ltd has been reflected under the Balance Sheet as an Intangible Asset, and is attributable to the excess of the purchase consideration over the fair value of the tangible net assets acquired.

Fair value adjustments amounting to \$2,004,539 and \$360,817 were made to the carrying value of property, plant and equipment amounting to \$5,392,188 and deferred tax liability, in arriving at the recognised value of \$7,396,727 and \$360,817 respectively.

Acquisition in 2005

On 18 October 2005, the Group acquired 50.78% share in Tat Seng Packaging Group Ltd for \$16,961,750 satisfied in cash. Subsequently, through a mandatory unconditional cash offer for all the remaining shares in issue in the subsidiary, the Group acquired an additional 13.17% of the subsidiary for \$4,400,663 satisfied in cash. The total consideration of the acquisition of \$21,513,871 included all related acquisition expenses.

The acquisition was accounted for using the purchase method. During the period from 18 October to 31 December 2005, Tat Seng Packaging Group Ltd and its subsidiary contributed a net profit of \$38,190 to the consolidated net profit for the year. If the combination had taken place at the beginning of the year, the profit for the Group attributable to shareholders would have been \$12,260,493 and revenue from continuing operations would have been \$204,362,729.

The negative goodwill arising from the acquisition of Tat Seng Packaging Group Ltd has been reflected under Other operating income, and is attributable to the excess of the fair value of the tangible net assets acquired over the purchase consideration. Fair value adjustments amounting to \$3,364,505 and \$672,901 were made to the carrying value of property, plant and equipment amounting to \$38,892,043 and deferred tax liability of \$3,744,314, in arriving at the recognised value of \$42,256,548 and \$4,417,215 respectively.

+ Notes to the Financial Statements

Year Ended 31 December 2006

31 Acquisition of Subsidiary (cont'd)

The effects of acquisition of subsidiaries are set out below:

	Recognised Values	
	2006 \$	2005 \$
Net assets acquired		
Property, plant and equipment	7,396,727	42,256,548
Inventories	1,178,370	4,864,728
Trade and other receivables	2,462,954	9,821,372
Cash and cash equivalents	1,985,764	7,737,028
Trade and other payables	(3,741,727)	(13,135,312)
Current tax payable	(11,317)	(1,167,531)
Current financial liabilities	(2,408,628)	-
Non-current financial liabilities	(2,734,796)	(4,417,215)
Deferred tax liability	(360,817)	-
Minority interests	(753,306)	(16,525,570)
Net assets acquired	3,013,224	29,434,048
Goodwill/(negative goodwill) on acquisition	608,447	(7,920,177)
Purchase consideration	3,621,671	21,513,871
Cash and bank balances acquired	(1,985,764)	(7,737,028)
Net cash outflow	1,635,907	13,776,843

32 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

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

At the balance sheet date, credit risk is concentrated mainly in cash and fixed deposits with banks and trade receivables. Credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, are engaged in a wide spectrum of activities, and sell in a variety of end markets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Company is exposed to credit risk in connection with the financial guarantees it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties to whom it is providing the guarantee.

+ Notes to the Financial Statements

Year Ended 31 December 2006

32 Financial instruments (cont'd)

Liquidity risk

The Group monitors its liquidity risk 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.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest bearing assets and liabilities. These comprise mainly interest bearing borrowings and deposits in financial institutions.

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.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian dollars, Hong Kong dollars, New Taiwan dollars, Japanese yen, Brunei dollars and United States dollars.

There is no formal hedging policy with respect to foreign exchange exposures. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Estimation of fair values

Investments in equity and debt securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing liabilities) approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

33 Commitments

At 31 December 2006, the Group and the Company have the following commitments:

(a) Capital commitments in respect of leasehold improvement contracts:

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
Contracted but not provided for	3,369,558	547,032	1,471,798	-

+ Notes to the Financial Statements

Year Ended 31 December 2006

33 Commitments (cont'd)

(b) Future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2006 \$	2005 \$	2006 \$	2005 \$
- Within 1 year	1,523,071	1,505,524	701,520	666,864
- After 1 year but within 5 years	4,324,156	3,906,776	2,849,173	2,634,956
- After 5 years	21,298,184	17,989,112	10,373,184	10,549,112
	27,145,411	23,401,412	13,923,877	13,850,932

Included in the commitments for future minimum lease payments is annual land rent relating to 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 currently payable under the lease agreement is \$676,501 (2005: \$587,059).

34 Contingent liabilities - unsecured

Company

(a) As at 31 December 2006, the Company has issued unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries of \$6,821,675 (2005: \$13,958,567).

(b) The Company has given formal undertakings, which are unsecured, to provide financial support to certain of its subsidiaries. As at 31 December 2006, the deficits in shareholders' funds of these subsidiaries amounted to \$14,907,602 (2005: \$15,145,728).

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 US\$338,794 (equivalent to a total of \$584,154 at 31 December 2006) plus interest and costs.

The matter is pending trial. No further date has been given yet pending sentencing of the Plaintiff for contempt of Court. Other than stated above, the outcome of the case is however, cannot be presently determined.

The directors are of the opinion that the claim has no merit as the drawings submitted by the Architects were incomplete and did not meet the Government's contractual requirements. Accordingly, no provision for any liability arising from the claim has been made in the financial statements.

+ Notes to the Financial Statements

Year Ended 31 December 2006

35 Related parties

Key management personnel compensation

Key management personnel compensation comprised:

	2006 \$	Group 2005 \$
Short-term employee benefits	3,428,182	2,731,046

The key management personnel comprise the executive directors, executive vice president, senior vice presidents, vice president and group financial controller.

Other transactions with key management personnel

The Company entered into contracts with a company controlled by a director of the Company for the provision of advisory and consultancy services to the Company for an aggregate amount of \$60,000 (2005: \$60,000).

Other related party transactions

Other than disclosed elsewhere in the financial statements, the transactions with related parties are as follows:

	2006 \$	Group 2005 \$
Purchases	85,717	331,970
Construction services rendered	-	387,872
Hire of motor vehicles payable	13,019	13,221
Management and administrative fees receivable	23,975	169,341
Rental income received/receivable	184,037	58,679
Dividend income	15,980	-
Administrative fee receivable	-	419,609

+ Supplementary Information

Year Ended 31 December 2006

1 Directors' remuneration

Company's directors receiving remuneration from the Group:

	Number of directors	
	2006	2005
Remuneration of:		
\$1,000,001 to \$1,250,000	1	-
\$750,001 to \$1,000,000	1	-
\$500,001 to \$750,000	-	2
\$250,001 to \$500,000	-	1
\$250,000 and below	7*	7*
	9	10

* Two directors from the remuneration band resigned during the financial year 2007 (2005: 1).

2 Group properties

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 from 1 May 1967 and an option to renew for 22 years, 3 months and 30 days
348 Jalan Boon Lay, Singapore 619529	Single-storey factory used by a subsidiary for its operations	60-year lease from 1 May 1967 and an option to renew for 22 years, 3 months and 30 days
28 Senoko Drive, Singapore 758214	Factory cum office building used by a subsidiary for its operations	30-year lease from 16 December 1979 and extension for an additional 30 years
Lot MLO 1101, Kampong Bukit Kulai, Johor, Malaysia	Factory used by a subsidiary for its operations	Freehold

+ Supplementary Information

Year Ended 31 December 2006

2 Group properties (cont'd)

Description of properties held by the Group is as follows:

Location	Description	Tenure
Lot MLO 1102 and 1103, Mukim of Sedenak, Kulai, Johor, Malaysia	Vacant land	Freehold
Lot 249, GPP 4841 Town Area XXI District of Melaka Tengah, Melaka, Malaysia	Vacant land	Freehold
Wilayah Pengembangan Sekupang Patam, Batam, Indonesia	Vacant land	30-year lease from 11 March 1986
PTD 63419 HSD 248337, PTD 63421 HSD 248339 and PTD 63422 HSD 248340 Mukim of Pulai District of Johor Bahru, Johor, Malaysia	Vacant land	Freehold
10 Ubi Crescent #05-80, 86-90 Singapore 408564	Flatted factory units used by a subsidiary for its operations	60-year lease from 5 July 1997
Suzhou Jiangsu Province Wanting Town, 88 Wendu Road, People's Republic of China	Factory premises, office building, dormitory and development	50-year lease from: - 33,333 sq m from 15 October 1995 - 12,667 sqm from 23 September 1998 - 12,798 sq m from 13 February 2001
105 Zipeng Road HeFei Eco-Tech Development Zone, Anhui Province, People's Republic of China	Single storey factory building with double storey office building	48-year lease from 7 March 2005 to 1 August 2053

+ Supplementary Information

Year Ended 31 December 2006

3 Interested person transactions

	Aggregate value of all transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920) \$	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000) \$
Interested person	-	-

4 Material contracts

Except as disclosed in Note 35 to the financial statements, there are no other material contracts entered into between the Company and its subsidiaries during the financial year involving the interest of the chief executive officer or each director of the Company.

5 Usage of proceeds from rights issue

A rights issue of 533,415,950 fully-paid ordinary shares of \$0.05 each at an issue price of \$0.055 for each rights share was made by the Company in 2004 to existing shareholders in the proportion of two shares for every five shares held ("Rights Issue"). The Company received net proceeds of \$29,045,497 from the Rights Issue and the amount of which utilisation as at 31 December 2006 were as follows:

	2006 \$
Purchase of 50.78% equity interest in Tat Seng Packaging Group Ltd	12,796,925
Purchase of additional 13.17% equity in Tat Seng through offer shares	4,400,663
Shareholder's loan to acquire additional 12% equity interest in a healthcare associate in Australia	2,676,758
	19,874,346

+ 资产负债表

截至2006年12月31日

	附注	2006 \$	集团 2005 \$	2006 \$	公司 2005 \$
非流动资产					
产业及机器设备	3	76,706,564	73,868,008	19,726,942	20,418,900
子公司	4	-	-	46,218,055	45,198,055
联号公司	5	48,223,638	45,691,947	27,163,530	27,163,530
其他金融资产	6	13,668,881	10,920,215	2,480,300	-
其他应收账款		3,962,034	4,567,281	-	-
无形资产	7	6,161,800	4,296,908	-	-
递延税款资产	8	981,305	1,176,450	-	-
		149,704,222	140,520,809	95,588,827	92,780,485
流动资产					
其他金融资产	6	-	4,713,512	-	4,713,512
非金融资产	9	353,123	395,176	45,000	45,000
有待开发房地产	10	585,667	594,327	-	-
存货	11	29,504,950	35,435,367	6,803,598	9,923,878
应收账款及其他应收款	13	60,088,179	63,235,907	41,124,518	54,319,043
现金和现金等同物	17	49,306,658	36,470,592	27,502,284	18,188,539
		139,838,577	140,844,881	75,475,400	87,189,972
资产合计		289,542,799	281,365,690	171,064,227	179,970,457
归属股东之权益					
股本	18	140,792,609	93,372,791	140,792,609	93,372,791
储备	20	53,666,234	98,910,704	6,929,967	56,667,679
		194,458,843	192,283,495	147,722,576	150,040,470
少数股东权益		23,268,025	21,316,922	-	-
股东权益合计		217,726,868	213,600,417	147,722,576	150,040,470
非流动负债					
金融负债	21	3,099,595	1,623,611	-	-
递延应付税款	8	5,890,427	5,389,460	375,134	336,783
		8,990,022	7,013,071	375,134	336,783
流动负债					
应付账款和其他应付款	22	41,536,665	49,951,033	22,637,014	28,781,965
金融负债	21	18,713,224	8,447,293	-	-
本期应付税款		2,576,020	2,353,876	329,503	811,239
		62,825,909	60,752,202	22,966,517	29,593,204
负债合计		71,815,931	67,765,273	23,341,651	29,929,987
负债及股东权益合计		289,542,799	281,365,690	171,064,227	179,970,457

附注内容是财务报表的组成部分之一。

+ 综合损益表

截至2006年12月31日

持续性营业活动

	附注	2006 \$	2005 \$
收入	23	228,543,067	169,790,004
售出产品成本		(175,126,016)	(130,506,601)
毛利		53,417,051	39,283,403
其他营业收入		1,946,762	11,100,133
分销费用		(25,093,156)	(21,558,307)
行政费用		(23,501,051)	(18,998,722)
其他营业费用		(1,214,180)	(988,691)
营业活动之盈利		5,555,426	8,837,816
净金融收入	24	1,420,550	220,309
联营公司盈利分派（税后）		5,194,684	4,748,285
税前盈利		12,170,660	13,806,410
所得税	25	(1,629,629)	(1,769,012)
持续性营业活动之税后盈利		10,541,031	12,037,398
终止之营业活动			
本期终止营业活动之亏损（税后）		-	(784,874)
本期盈利	26	10,541,031	11,252,524
可归属：			
归属股东之权益		8,723,642	10,645,544
少数股东权益		1,817,389	606,980
本期盈利		10,541,031	11,252,524
每股盈利			
每股盈利基额（分）	27	0.47	0.57
每股盈利摊薄（分）	27	0.47	0.57
持续性营业活动			
每股盈利基额（分）	27	0.47	0.61
每股盈利摊薄（分）	27	0.47	0.61

附注内容是财务报表的组成部分之一。

+ Shareholding Statistics

PSC Corporation Ltd

12 March 2007

Number of Issued and Fully Paid Shares : 1,867,455,825
 Class of Shares : Ordinary Shares with equal voting rights
 Issued and Fully Paid Share Capital : S\$140,792,609.09

SUBSTANTIAL SHAREHOLDERS as at 12 March 2007

SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES HELD		SHAREHOLDING PERCENTAGE %
	DIRECT INTEREST	DEEMED INTEREST	
Pemscorp Pte Ltd	437,583,000	-	23.43 (1)
QAF Limited	-	437,583,000	23.43 (1)
Andree Halim	-	437,583,000	23.43 (2)
Rich Life Holdings Pte Ltd	433,175,506	-	23.20
Hanny Magnetics (B.V.I.) Limited	-	452,978,506	24.26 (3)
Hanny Holdings Limited	-	452,978,506	24.26 (4)
Famex Investment Limited	-	452,978,506	24.26 (4)
Mankar Assets Limited	-	452,978,506	24.26 (4)
ITC Investment Holdings Limited	-	491,028,506 (5)	26.29 (4)
ITC Corporation Limited	-	491,028,506	26.29 (4)
Galaxyway Investments Limited	-	491,028,506	26.29 (4)
Chinaview International Limited	-	491,028,506	26.29 (4)
Dr Chan Kwok Keung, Charles	-	491,028,506	26.29 (4)

Notes:

- (1) Pemscorp Pte Ltd is a wholly-owned subsidiary of QAF Limited. QAF Limited is deemed to be interested in the shares held by Pemscorp Pte Ltd.
- (2) Pursuant to Section 7(4)(b) of the Companies Act, Andree Halim is deemed to have an interest through QAF Limited, which is deemed to have an interest through its wholly-owned subsidiary Pemscorp Pte Ltd, by virtue of his controlling interest in QAF Limited.
- (3) Hanny Magnetics (B.V.I.) Limited is deemed to be interested in the 433,175,506 shares and 19,803,000 shares held by Rich Life Holdings Pte Ltd and Cyber Generation Limited respectively, both of which are wholly-owned subsidiaries of Hanny Magnetics (B.V.I.) Limited.
- (4) Dr Chan Kwok Keung, Charles is deemed to have an interest through Chinaview International Limited, which is deemed to have an interest through Galaxyway Investments Limited, which is deemed to have an interest through ITC Corporation Limited, which is deemed to have an interest through ITC Investment Holdings Limited, which is deemed to have an interest through Mankar Assets Limited, which is deemed to have an interest through Famex Investment Limited, which is deemed to have an interest through Hanny Holdings Limited, which is deemed to have an interest through Hanny Magnetics (B.V.I.) Limited.
- (5) ITC Investment Holdings Limited is deemed to be interested in 452,978,506 shares through Hanny Magnetics (B.V.I.) Limited and 38,050,000 shares owned in High Prime Limited, its wholly owned subsidiary.

+ Shareholding Statistics

12 March 2007

DIRECTORS' SHAREHOLDING as at 21 January 2007

DIRECTOR	HOLDINGS IN THE NAME OF DIRECTOR OR IN WHICH DIRECTOR HAS A DIRECT INTEREST	HOLDINGS IN WHICH THE DIRECTOR IS DEEMED TO HAVE AN INTEREST
Foo Der Rong	2,922,500	-

ANALYSIS OF SHAREHOLDERS as at 12 March 2007

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	136	1.85	37,178	0.00
1,000 – 10,000	1,934	26.36	13,866,085	0.74
10,001 – 1,000,000	5,207	70.96	357,490,900	19.15
1,000,001 and above	61	0.83	1,496,061,662	80.11
	7,338	100.00	1,867,455,825	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 12 March 2007, 49.97 % of the issued ordinary shares of the Company is held by the public. Rule 723 of the Listing Manual issued by SGX-ST is therefore complied with.

MAJOR SHAREHOLDERS LIST – TOP 20 as at 12 March 2007

NO.	NAME OF SHAREHOLDER	NO. OF SHARES HELD	%
1.	Pemscorp Pte Ltd	437,583,000	23.43
2.	DBS Vickers Securities (S) Pte Ltd	310,235,350	16.61
3.	OCBC Securities Private Ltd	292,717,506	15.68
4.	CIMB Bank Nominees (S) Ltd	95,000,000	5.09
5.	United Overseas Bank Nominees Pte Ltd	76,728,415	4.11
6.	DBS Nominees Pte Ltd	56,718,787	3.04
7.	HL Bank Nominees (S) Pte Ltd	41,523,000	2.22
8.	CIMB-GK Securities Pte Ltd	32,921,339	1.76
9.	OCBC Nominees Singapore Pte Ltd	30,092,455	1.61
10.	Citibank Nominees Singapore Pte Ltd	17,406,200	0.93
11.	HSBC (Singapore) Nominees Pte Ltd	6,800,400	0.36
12.	Sim Huat Hoe	5,687,750	0.31
13.	UOB Kay Hian Pte Ltd	4,978,450	0.27
14.	Tan Koon Poh	4,337,850	0.23
15.	Law Ah Yi	4,182,900	0.22
16.	Phillip Securities Pte Ltd	4,031,750	0.22
17.	Eyu Chin Wat @ Yeo An Hai or Lim Siew Lian	3,562,000	0.19
18.	Kim Eng Securities Pte Ltd	3,144,000	0.17
19.	Yeo Cheh	3,000,000	0.16
20.	Ng Hock Chuan	2,572,350	0.14
		1,433,223,502	76.75

+ Notice of Annual General Meeting

PSC Corporation Ltd

(Incorporated in the Republic of Singapore)

(Company Registration No. 197400888M)

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of PSC Corporation Ltd will be held at 348 Jalan Boon Lay, Singapore 619529 on Wednesday, 25 April 2007 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 2006 and the Auditors' Report thereon. (Resolution 1)

2. To declare a Final Dividend of 0.20 cents per share less 18% income tax for the year ended 31 December 2006. (Resolution 2)

3. To re-elect the following Directors retiring in accordance with the Article 87 of the Company's Articles of Association:

(a) Dr John Chen Seow Phun	(Resolution 3a)
(b) Mr Chee Teck Kwong	(Resolution 3b)

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

5. To approve the payment of Directors' Fees of S\$384,000 for the year ended 31 December 2006. (Resolution 5)
(2005: S\$368,250)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions 6 to 9 with or without amendments as ordinary resolutions:

6. "That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Companies 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: (Resolution 6)
 - (i) allot and issue shares in the Company; and

 - (ii) issue convertible securities and (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) allot and issue any shares in the Company pursuant to the conversion or exercise of convertible securities issued while this Resolution was force, (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 shares (including any shares to be issued pursuant to the conversion or exercise of convertible securities) in the Company 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 shares (including any shares to be issued pursuant to the conversion or exercise of convertible securities) to be issued other than on a pro rata basis to the shareholders of the Company does not exceed 20 per cent (20%) of the issued share capital of the Company for the time being (as calculated in accordance with sub-paragraph (b) below);

+ Notice of Annual General Meeting

PSC Corporation Ltd

(Incorporated in the Republic of Singapore)

(Company Registration No. 197400888M)

(b) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of 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 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."

7. "That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the Options granted under the PSC Executives' Share Option Scheme (including to allot and issue shares as may be required to be issued pursuant to the exercise of Options granted while this Resolution is in force notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time of the allotment and issue of the shares) provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed ten per cent (10%) of the total issued share capital of the Company from time to time."

(Resolution 7)

8. "That for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below) at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(Resolution 8)

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable,

be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate").

That, unless revoked or varied by the Company in general meeting, the Share Buy Back Mandate continue to be in force until the date that the next Annual General Meeting is held or is required by law to be held, whichever is earlier (the "Relevant Period").

That the Directors of the Company be hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents and approving amendments, alterations and modifications to any document required by the Share Buy Back Mandate) as they or he may consider expedient, necessary or deem fit to give effect to the transactions contemplated or authorised by this Resolution.

+ Notice of Annual General Meeting

PSC Corporation Ltd

(Incorporated in the Republic of Singapore)

(Company Registration No. 197400888M)

In this Resolution:

"Prescribed Limit" means the number of issued Shares representing eight per cent (8%) of the issued ordinary share capital of the Company (excluding any ordinary shares held as treasury shares by the Company from time to time) as at the date of passing of this Resolution or such reduced issued share capital of the Company pursuant to a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period;

"Maximum Price" in relation to a Share to be purchased or acquired means the purchase price which shall not exceed the sum (excluding brokerage, stamp duties, applicable goods and services tax and other expenses) constituting five per cent (5%) above the Average Closing Market Price of the Shares; and

"Average Closing Market Price" means the average of the last dealt prices of the Shares for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company, or as the case may be, the date of the making of an offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the said five day period."

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 4 May 2007, 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 25 April 2007.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, M & C Services Private Limited, of 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to 5.00 p.m. on 3 May 2007 will be registered to determine Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares of the Company as at 5.00 p.m. on 3 May 2007 will be entitled to such proposed dividends.

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 18 May 2007.

BY ORDER OF THE BOARD

Angela Chan

Company Secretary

Singapore

9 April 2007

+ Notice of Annual General Meeting

PSC Corporation Ltd

(Incorporated in the Republic of Singapore)

(Company Registration No. 197400888M)

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 a duly authorised 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 Annual General Meeting.

EXPLANATORY NOTES ON THE SPECIAL BUSINESS TO BE TRANSACTED:-

- 1) Proposed ordinary Resolution 6, if passed, will empower the Directors to issue shares in the Company, convertible securities and/or shares pursuant to convertible securities 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.
- 2) Proposed ordinary Resolution 7, if passed, will empower the Directors to issue shares pursuant to the exercise of Options granted under the PSC Executives' Share Option Scheme 2003 which was approved at the Extraordinary General Meeting of the Company held on 8 July 2003.
- 3) Proposed ordinary Resolution 8, if passed, will empower the Directors to purchase or acquire, from the date of the above meeting to the date of the next Annual General Meeting, an aggregate amount not exceeding eight per cent (8%) of the issued share capital of the Company as at the date of Resolution 8. More details of the Share Buy Back Mandate to be renewed is set out in the letter to shareholders enclosed with this Notice.

+ 常年股东大会通告

普威集团有限公司

(于新加坡共和国注册成立)

(公司注册号码197400888M)

本公司第33届常年股东大会将于2007年4月25日, 星期三, 上午11时正, 于新加坡 邮区 619529, 惹兰文礼 348号举行。大会主要议程如下:

普通事项

1. 接纳截至2006年12月31日止财政年之董事报告及已审核账目和审计师报告。

[决议案一]

2. 宣布在截至2006年12月31日止财政年派发每股0.2分的年终股息(须扣除18%所得税)。

[决议案二]

3. 根据公司章程第87条款, 重选以下退休的董事:

(a) John Chen Seow Phun 博士

[决议案三 a]

(b) Chee Teck Kwong 先生

[决议案三 b]

4. 再次委任KPMG会计公司为审计师, 并授权董事会决定其酬金。

[决议案四]

5. 批准截至2006年12月31日止财政年之董事酬劳 S\$384,000 (2005年: S\$368,250)。

[决议案五]

特别事项

仔细考虑且在适当情况之下, 通过以下决议案6至9为普通修正决议或无修正决议:

6. 根据公司法第50章第161节以及新加坡证券交易所之上市规定, 授权董事会:

[决议案六]

(i) 分配和核发公司之股份; 以及

(ii) 核发可兑换证券以及转换或行使此决议有效期间发出的可兑换证券时, 分配和核发本公司之任何股份(尽管此决议之授权已经到期)在董事会认为适当之情况下, 于任何时候按议题之条款向合适人士核发本公司之股份(不论是以认股证、红利或其他的方式核发), 其条件如下:

(a) 按本决议核发之股份总额(包括任何因转换或行使可兑换证券而核发的股份)不得超过本公司现已核发股份的百分之五十(50%)(按下节b计算), 其中, 若非按比率向公司股东核发股份, 核发普通股份之总额则不得超过公司现有已核发股份资本的百分之二十(20%)(按下节b计算)。

(b) 按新加坡证券交易所所指示之计算方式, 为决定上节a将核发股份之总额, 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:

(i) 在本决议案通过之际, 待核发的可兑换证券或任何选股权在转换或行使所产生的新股份; 以及

(ii) 任何后续的股份合并或再分股份; 以及

(c) 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常年股东大会或依法律要求召开之下届常年股东大会日期(以较早者为准)为止。

+ 常年股东大会通告

普威集团有限公司

(于新加坡共和国注册成立)

(公司注册号码197400888M)

7. 按公司法第161节, 赋予董事会授权在任何时候核发因行使按普威执行人员选股权计划核发的选股权而须核发的股份 (包括只要所行使的选股权是在此决议有效时核发的, 即使在行使选股权而须核发股份时, 此决议所赋予的授权已经无效), 其条件是按此计划核发的股份总额在任何时候不得超过现有已核发股份资本的百分之十 (10%)。 [决议案七]

8. 按公司法第 76C 节和 第 76E 节, 董事会行使公司的所有权利收购公司股份资本中的缴足核发普通股, 其条件是总额不得超过 “规定限额” (如以下之定义), 以及由董事会决定之收购价不得超过 “最高价” (如以下之定义)。收购方式如下:

[决议案八]

(i) 在新加坡证券交易所收购; 以及/或

(ii) 场外购买 (若在新加坡证券交易所以外之场所交易); 根据由董事会认为适当而决定或拟定之任何平等机会计划, 而且计划必须遵守公司法定下之所有条例, 或是当时适用之任何其他法律、条例和新加坡证券交易所之规定,

此概括性和无条件授权及核准 (“股票回购授权”)。

按本决议所赋予之股票回购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常年股东大会或依法律要求召开之下届常年股东大会日期 (以较早者为准) 为止。

公司董事获授权完成和执行所有他们/他认为有利、必要、适当之职务 (包括且不受限, 执行相关文件以及核准股票回购授权所需之任何文件之修订、更改和修饰), 以使此决议所预期或授权之交易能够生效。

在本决议中:

“规定限额” 为截至此决议通过日期相等于本公司发行普通股份资本之百分之八 (8%) 之核发股份 (不包括由公司所持有的、作为库存股的任何普通股), 或者公司在 “有关期间” 任何时间按照适用 “公司法令” 条款减少股本之后的缩减股本。

“最高价” 为所将收购之股份之收购价不得超过股票平均闭市价 (不包括佣金, 印花税, 相关消费税及其它开支) 以及百分之五 (5%) 溢价之总和; 以及

“平均闭市价” 为本公司在市场内进行收购当日或提出收购建议当日 (使用于场外交易) 前之连续五个交易日之最后交易价, 而且根据新加坡证券交易所之上市规定反映于所指之五天期间后发生之任何企业行动。

登记截止日期通告

为决定股东从本公司将于2007年5月4日常年股东大会上之提案股息派发所应享有之股息权利, 本公司股东之股票转让将于2007年4月25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 (新加坡邮区068906, 罗敏申路138号, The Corporate Office, 门牌 #17-00), 截至2007年5月3日营业时间下午5时止, 所受理有关本公司之完整登记转让将予以登记, 以决定股东应享之提案股息。股东在中央托收私人有限公司之证券户头内, 若于2007年5月3日下午5时前, 记有本公司股份, 将享有该提案股息。

该提案股息如在常年股东大会上获通过, 则将在2007年5月18日派发支付。

奉董事会令

Angela Chan

公司秘书

于新加坡

2007年4月9日

+ 常年股东大会通告

普威集团有限公司

(于新加坡共和国注册成立)

(公司注册号码197400888M)

附注: -

- 1) 每位有权参加股东大会及在会上投票之股东, 得以委派一名代表代其出席及投票,
- 2) 股东代表无须为公司股东,
- 3) 股东代表委派书, 若以个人名义, 须由委派股东或其律师签署; 若以公司名义, 则必须加盖公司印章或由代表公司之律师或其授权职员签署,
- 4) 股东代表委派书须于股东大会召开前的至少 48 小时送交本公司注册办事处 (新加坡邮区 619529, 惹兰文礼 348 号), 方为有效。

特别事项附注: -

- 1) 决议案 6 若通过, 将授权公司董事会核发公司股票、可兑换债券和 / 或依据公司可兑换债券来核发股票, 其总数额最多不超过所核发的公司普通股本的百分之五十 (50 %), 附加限制为除按照股东比例核发股票以外的股票的百分之二十 (20 %)。为了确定可以核发的合计普通股数量, 已核发股本百分比应根据决议案 6 通过之时公司已核发股本、并且根据以下情况调整后计算: (a) 截至决议案 6 通过时因任何可兑换债券的兑换或股票认购权的行使而核发的新股, 以及 (b) 任何随后的股票合并或者拆分, 而
- 2) 决议案 7 若通过, 将授权公司董事按照 2003 年 7 月 8 日举行的公司临时全体会议上批准的 2003 年度普威公司执行人员股票认购权计划 (PSC Executives' Share Option Scheme 2003) 对所行使的股票认购权核发股票。
- 3) 决议案 8 若通过, 将授权董事会从上述会议之日期至下一届常年股东大会之日期之间, 收购相等于此决议通过日之不超过本公司核发普通股份资本之百分之八 (8 %) 之核发股份, 更多有关此待更新之股票回购授权, 收录在附于此通知书的信件中。

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Proxy Form – Annual General Meeting
PSC Corporation Ltd
(Incorporated in the Republic of Singapore)
(Company Registration No. 197400888M)

Total Number of Shares held

IMPORTANT

1. For Investors who have used their CPF moneys to buy shares of PSC Corporation Ltd, the 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.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We _____ NRIC/Passport No.: _____
of _____
being (a) member/members of the abovenamed Company hereby appoint

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

or failing him/her, the Chairman of the Meeting (defined below), as my/our proxy to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Thirty-Third Annual General Meeting of members of the Company (the "Meeting") to be held at 348 Jalan Boon Lay, Singapore 619529 on 25 April 2007 at 11 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the space provided whether you wish your proxy to vote For or Against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy will vote as the proxy deems fit.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	ORDINARY BUSINESS:		
1.	Adoption of Reports and Accounts		
2.	Declaration of Final Dividend		
3.	Re-election of Directors:		
	(a) Dr John Chen Seow Phun		
	(b) Mr Chee Teck Kwong		
4.	Re-appointment of Auditors		
5.	Approval of Directors' Fees		
	SPECIAL BUSINESS:		
6.	Authority for Directors to issue shares and convertible securities		
7.	Authority for Directors to issue shares pursuant to the exercise of Options granted under PSC Executives' Share Option Scheme		
8.	Authority for Directors to buy back Shares pursuant to the Share Buyback Mandate		

Dated this _____ day of _____, 2007

Signature(s) or Common Seal of Shareholder

Please Read Notes Overleaf

Notes:

- 1) Please insert the number of shares in the Company you hold, either in the Depository Register (as defined in Section 130A of the Companies Act) or in the Register of Members, or both. If no number is inserted, the proxy form will be deemed to relate to all the shares in the Company held by you.
- 2) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointments shall be deemed invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3) If any other proxy other than the Chairman of the Meeting is to be appointed, please delete the words "The Chairman of the Meeting" and insert the name(s) and particulars of the proxy/proxies to be appointed in the box provided. If the box is left blank or is incomplete, the Chairman of the Meeting shall be deemed to be appointed as your proxy. If the Chairman of the Meeting is appointed as a proxy, this instrument shall be deemed to confer on him the right to nominate a person to vote on his behalf on a show of hands.
- 4) The instrument appointing a proxy shall, in the case of an individual, be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it must be executed either under its common seal or signed by its attorney or a duly authorised officer on behalf of the corporation. A corporation who 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 Meeting in accordance with Section 179 of the Companies Act.
- 5) 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.
- 6) The Company shall be entitled to reject an instrument appointing a proxy/proxies if it is incomplete, improperly completed, illegible, or where the true intentions of the appointor is not ascertainable from the instructions contained in the instrument. The Company may also reject any instrument appointing a proxy/proxies where the appointor is not shown to have shares in the Company entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



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