

Our Winning Game Plan

Annual
Report
2008



PSC Corporation heads the game as the leading pan-Asian company in consumer essentials. Through the years, our commitment is unwavering – to provide the best in living essential needs to our customers.

Our game plan: to continuously improve consumers’ quality of life. We have stayed ahead of the competition by meeting and exceeding our customers’ expectations for innovative products and services, catering to their increasingly sophisticated needs and preferences.



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Making The Right Risk Management

Vision

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

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

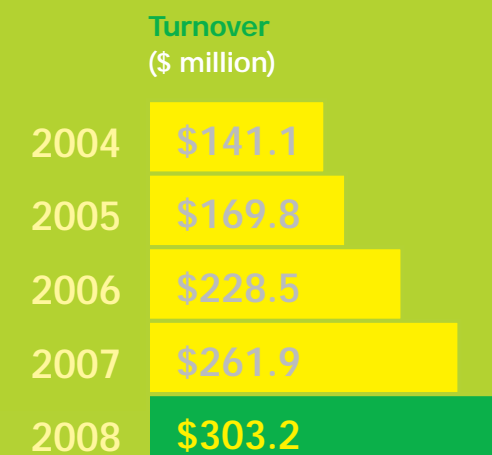
Achieving operational excellence

Building strong financial capabilities

Consumer Essentials

The aim of our game is to deliver quality, choice and service through our offerings. We have scored through the constant review and renewal of our processes in response to consumers' changing needs and preferences. As the Leader in Consumer Essentials, you can be assured of our commitment and dedication to bring you service excellence and product innovation.

Hitting Our Target



Tackling Everchanging Challenges

Strategic Investments

We have scored on generating value and financial asset capabilities through our investments. We play the game right by maximising investment opportunities and building on intelligent insights and initiatives with every step. The winning formula has resulted in financial excellence and strategic growth for the Group.

Turnover 2008

\$303.2 mil
↑15.8%

Executive Chairman's Statement



Dear Valued Shareholders

As 2008 drew to close, we undoubtedly experienced a year of economic uncertainty and turmoil, when financial institutions became embroiled in difficulties that shook the global economy. In 2009, the PSC Group will continue to capitalise on opportunities to build on core strengths and past achievements, and reinforce the PSC brand.

Reviewing Our Financials

For the financial year ended 31 December 2008, the Group's turnover saw an increase of 15.8%, to \$303.24 million compared to \$261.94 million in the previous financial year. This improvement is attributable to the higher turnover from the Consumer Business segment of our Consumer Essentials cluster, and Tat Seng Packaging, of our Strategic Investments cluster.

Reinforcing Our Leadership Position

The strength of the PSC brand has sustained the Group through turbulent times and it is this enduring name that will continue to propel the Group forward. In spite of challenges faced by the Group, our focused strategic business direction and a strong foothold in the local and regional markets will ensure that we

are able to weather the current crisis and emerge stronger than ever.

Amidst evolving economic developments, the Group has opened new doors of opportunities and reaped greater rewards from strategic and prudent investments and expansions.

Strategic acquisitions by our subsidiaries, InnoForm Media and Tat Seng Packaging Group Ltd, have strengthened both companies' shares in their respective markets. InnoForm's acquisition of Alliance Entertainment has paved the way to a wider portfolio and a greater distribution network. Tat Seng's incorporation of United Packaging Industries Pte Ltd also marked Tat Seng as one of the market leaders in Singapore's paper packaging industry.

Strategising Our Winning Game Plan

Our evolution and direction as the Leader in Consumer Essentials has proven fruitful as the Consumer Essential cluster remains stable and resilient, and accomplished milestones since the Group's strategic repositioning. Turnover for the Consumer Business segment has achieved a 13.2% increase in the year in review.

The current economic crisis has presented the Group with an opportunity to review and strengthen its brand. Through greater efforts to understand consumers' needs and an execution of the right marketing and branding tactics, the Group aims to be a step ahead in terms of brand- and business-building, to be poised for new heights when the recession picks up.

Topseller, a significant distributor and builder of consumer brands, underwent a brand revamp process in 2008, and unveiled a new brand identity in February 2009. This signified the company as a leading player in the local and regional fast moving consumer goods industry. Topseller carved a milestone when it commenced a collaboration in early 2009 with Reckitt Benckiser, a global force in household, health and personal care, to distribute its products in Singapore.

The Health Solutions group has taken advantage of opportunities in 2008 with projects in Asia and the Middle East. The group will also continue its development and implementation efforts for hospital projects in this region. The Health Solutions group restructured operations in 2008 and is well-equipped to undertake the challenges and demands of the ever-growing healthcare industry.

Strategically, the PSC Group will adopt a customer-centric approach in its businesses as we enter new territories in customer mindsets. With globalisation, it is now possible for companies to seek diversification in sources of supplies and raw materials, resulting in more efficient cost containment. The Group will also be on the initiative to meet and manage consumer needs, which will vary greatly in these difficult times, and take advantage of government schemes to improve and achieve service excellence to customers. We aim to ultimately create value for our consumers, in terms of both price and brand association.

The Group will continue to implement tactical initiatives and seek out strategic partners to generate returns to our shareholders in the coming year.

Renewing Our Commitment

In view of the less than optimistic global economic situation, I am deeply grateful for the support and loyalty shown by our staff, who have demonstrated the core values needed to keep PSC flying high. I am also heartened by the series of activities initiated by the management, called "Colleague Service", to raise service levels amongst staff so as to enhance the working culture and experience.

I would like to extend my sincerest appreciation to Mr Lui Sui Tsuen, Richard, who has left the Group on 9 January 2009. Mr Lui has served the Group for 7 years as an Executive Director and has contributed to the Group with his acumen and expertise.

I would also like to express my gratitude to the other Board members, whose insightful contributions have sharpened our strategic focus and direction. My sincere thanks go to our principals, business partners, customers and shareholders for their continuous support.

As we face a year filled with doubt and uncertainties, I am buoyed by the unwavering support from our stakeholders so that we can collectively carry out our winning game plan. In spite of the difficult road ahead, with a firmly entrenched business direction, we are focused on our destination in achieving our vision and goal as the leader in Consumer Essentials.

Dr Allan Yap
Executive Chairman

执行董事主席致辞

亲爱的股东们:

金融机构至2008年末纷纷陷入困境，导致全球经济震荡，我们也感同身受，历经了不平凡和动荡的一年。2009年，普威集团将藉机增强我们的核心优势，并巩固已取得的成就，从而把集团的品牌提升到一个新的高度。

财务回顾

截至于2008年12月31日的财政年度中，集团的营业额达到3.0324亿元，与上一财政年度的2.6194亿元相比，增加了15.8%。这归功于民生必需品组别的消费业务部门，以及策略性投资组别的达成包装的营业额的显著增长。

稳固领导地位

普威品牌的强劲实力将确保集团度过困难时期，这个持久的品牌将一如既往地推动集团的蓬勃发展。尽管集团面临严峻考验，但我深信以策略性业务为重心的工作方针的正确性。集团在本地和区域市场中的强大立足点将协助公司安然渡过目前的难关，并在经济风暴的洗礼中变得更为强盛。

在过去一年动荡变化的经济环境中，集团通过谨慎的策略性投资和开拓扩充新的业务领域，从而获取更大的回报。

我们的子公司新格媒体 (InnoForm Media) 和达成包装 (Tat Seng Packaging) 的策略性收购活动强化了其在各自市场领域的占有率。新格媒体收购Alliance Entertainment后，拥有更为广泛的产品范围和更为庞大的销售网络；达成包装所收购的United Paper Industries Pte Ltd为其成为新加坡纸品包装行业中的领导者之一添上强有力的的一笔。

决胜计划的策略调整

民生必需品组别一直都保持稳定与灵活的特性，并在集团进行的策略性重组后更上一层楼。由此证明，我们发展并力争步入优质生活领域的指导方针是成功的。消费业务部门的营业额在去年增长了13.2%。

目前的经济衰退为集团提供了自我审视和强化品牌实力的机会。集团秉承了一贯不遗余力了解消费者想法和需求的传统，辅以针对性的销售手法和品牌策略，在品牌和业务建设方面力争上游，从而为公司在经济复苏时，攀登新高峰而做好扎实的准备。

作为民生品牌的重要塑造者和经销者，Topseller在2008年经过品牌重塑，并于2009年2月以崭新的品牌身份亮相。这标

志着该公司为成为本地和区域快速消费品行业领导者跨出了重要的一步。Topseller 又与2009年与家用产品、保健和个人护理产品的跨国公司Reckitt Benckiser 合作，在新加坡市场分校其品牌产品，这无疑为公司树立了一个重要的里程碑。

Health Solutions集团在2008年亦充分把握了亚洲和中东项目的商机，继续拓展和实施该地区的医院项目。Health Solutions已于2008年进行了业务重组，为迎接保健行业层出不穷的挑战和需求做足准备。

在策略上，普威集团将采取以客为先的营业方针，在消费者心目中占据新的一席。随着全球经济的一体化，公司将在供货渠道和原材料方面寻求多元化，从而更有效地控制成本。在目前的艰难时期，消费者的需求也将面临巨变，集团亦会采取相应有效措施，从容迎接层层挑战。我们将充分利用政府的各项计划以改善和实现优质客户服务。我们的目标是在价格与品牌这两个息息相关的方面为消费者创造最大价值。

集团将继续往开来，采取合理举措并寻求战略合作伙伴，在接下来的一年为我们的股东创造回报。

承诺重申

在全球局势不安的环境下，我们的员工体现了使普威集团继续展翅高飞所必备的核心价值观，我对员工所给予的支持和忠诚致以深切的感谢。管理层为提高员工服务水平，改善工作文化和工作体验而发起名为“同事服务”(Colleague Service) 的一系列活动，也令人深受鼓舞。

前执行董事吕兆泉先生 (Mr Lui Sui Tsuen, Richard) 已经于2009年1月9日卸任。我要藉此机会向他表示最诚挚的谢意。吕先生为集团服务了7年，以其敏锐视角和专业才干为集团作出了重要的贡献。

我也很感谢其他董事会成员，他们富有见地的贡献加强了集团的策略重点和方针。同时也要感谢我们的代理委托商、业务合作伙伴、客户以及股东不断给予的支持。

尽管公司面临着严峻和困难的一年，但是各方面利益相关者仍表现出毫不动摇的支持，使我们的决胜计划得以实施，对此我深受感动和鼓舞。尽管眼前的道路崎岖难行，但我们以明确的经营方向，并全力实现步入优质生活领域这一愿景和目标。

Allan Yap博士
执行董事主席

Managing Director & CEO's Statement



Dear Valued Shareholders,

The year 2008 has been a tumultuous one, not only for PSC, but also for companies in Singapore and around the world. With the global economic crisis looming at the back of people's minds, consumer sentiments have been dampened and demands reduced. I am very glad that the PSC Group has been able to consolidate its efforts in strengthening its core competencies and fortifying the PSC brand to weather the storm ahead.

Review and Evaluation

PSC delivered a stable performance this year in review. The Group attained a turnover of \$303.24 million for the financial year ended 31 December 2008. This was an increase of 15.8% compared to \$261.94 million in the previous financial year. The increase was attributable to the higher turnover from the Consumer Business segment of the Consumer Essentials cluster, and the Packaging business of the Strategic Investments cluster.

The Consumer Business segment achieved a 13.2% increase in turnover, to \$203.94 million in FY 2008. The segment experienced improved sales of products in existing markets in

Singapore and Malaysia through its established distribution network and successful promotional activities. Through a widening of product coverage and an expansion through acquisitions, the media business has also performed on track.

The segment achieved a 99.6% increase in terms of Profit Before Interest and Tax (PBIT) for FY 2008, to \$6.89 million, due to higher sales and cost containment.

The Packaging business segment attained a turnover of \$96.35 million in FY 2008, compared to FY 2007's \$74.61 million. This increase was mainly due to the inclusion of the turnover of a new subsidiary, United Packaging Industries Pte Ltd, and better performance of other subsidiaries in China in FY 2008.

The PBIT of the segment was \$4.42 million, compared to FY 2007's profit of \$5.36 million. Excluding the recognition of the gain on disposal of property, plant and equipment of \$3.69 million in FY 2007, the PBIT for that year would have been \$1.67 million. On this basis, PBIT for FY 2008 of \$4.42 million was \$2.75 million higher compared to the previous year.

// The Group attained a turnover of \$303.24 million for the financial year ended 31 December 2008 //

Gross profit margin for the Group improved to 24.3% in FY 2008. The Group's share of profit after tax of associates declined from \$2.25 million in FY 2007 to \$1.82 million in FY 2008. The Group's profit before income tax in FY 2008 was \$6.73 million, after taking into consideration the less than satisfactory performance of the healthcare segment and higher impairment losses of certain investments, compared to \$12.29 million in FY 2007.

Consequently, the net profit for FY 2008 was \$5.37 million as compared to FY 2007's net profit of \$10.92 million. The net profit attributable to shareholders for FY 2008 was \$3.47 million compared to \$7.58 million profit reported for FY 2007.

Essential Progression

The global economic crisis from 2008 has substantially reduced consumer purchasing power and the Group has

not been spared the effects of the downturn. Through pro-active refining and reviewing of business strategies, the Group has sustained the momentum of progress in its business clusters.

The Consumer Business segment of PSC's Consumer Essentials cluster underwent a reconsolidation at the end of 2008 under the overall leadership of Mr Alan Tang, Senior Vice President – Corporate Planning / Business Development. I am optimistic the business will continue to be steered on a path of steady progression in 2009.

The iEcon franchise has held its own as one of the largest grocery retail franchise chains in Singapore, despite growing competition from supermarkets and other grocery retailers. Its unique selling proposition to provide personalised quality service to exceed the expectations of the modern consumer has stood out amidst this economic climate. Our position in the grassroots ensures we are fully connected to the changing needs of our customers.

The Fortune Food group has continued to perform with consistency and innovation. Fortune Food Manufacturing

has expanded its product portfolio with new brands: Soyworld, for value-for-money tau kwa and tofu, and Sweet Spot, for convenient and affordable traditional desserts. Fortune Food Marketing took on a new challenge in 2007 with a foray into product distribution to food service channels in Singapore. By the end of 2008, the company has achieved a breakthrough in terms of its speed of expansion and growth, volume of sales and profits. Its distribution coverage is strong in terms of depth and width, supplying to hotels, hawker centres, caterers, airline catering, hospitals, ship chandlers and other institutions.

Topseller Pte Ltd has achieved admirable milestones in the year in review. Having gone through a brand revamp process in 2008, Topseller unveiled a new brand identity in February 2009. The change signified the company's vision to be a leading builder and distributor of consumer brands in the region. Topseller took a great step forward towards its vision when in early 2009, it commenced a collaboration with Reckitt Benckiser to distribute its products in Singapore. Reckitt Benckiser is a global force in household, health and personal care.

As we aspire to fulfil our vision to consumers in Singapore, our Malaysian subsidiary, Socma Trading, has also achieved considerable success in its marketing and distribution activities in Malaysia. Socma registered an overall growth of 20.8% in 2008, contributed by a wide range of confectionary products. The company has ventured into the beverage segment with the acquisition of the distributorship of Wong Lo Kat herbal drink in Malaysia and Brunei. This will complement its current snack and confectionary lines.

Due to positive and expected further business growth, as well as acquisition of new distributorships, Socma will relocate to a larger warehouse storage facility to accommodate expansion needs.

The Tipex group has also taken the opportunity to build up on its current capabilities. The group has plans to expand its product lines to meet demands for both consumer and commercial paper products. At the same time, the group will also be focusing on new areas for growth by exploring new channels of distribution, such as resorts, clubs, fast food chains and ship chandlers.

On the media and entertainment front, InnoForm Media's acquisition of Alliance Entertainment on 25 February 2008 has significantly expanded its portfolio of home videos for the local market, bringing Asian and Hollywood videos closer to consumers. InnoForm Media has also made further successful steps into Asia with a new representative office set up in Vietnam. From 2009, it will be the exclusive video distributor for Warner Home Video and Twentieth Century Fox in Vietnam. This has strengthened InnoForm Media's market share in Asia and the group is well-poised for greater success in the coming years.

InnoForm Digital Media has also forayed into market research and development on delivering the karaoke experience through Internet Protocol Television (IPTV) to home users, with results to be expected by 2009.

The Health Solutions group, in overall, has performed below expectations in the year in review. However, the group has been awarded projects in Malaysia and the Middle East. With a strategic restructuring of its operations in 2008, the Health Solutions group is ready to meet future challenges in the healthcare industry.

Strategic Investments

Moving with the momentum of its growth, Tat Seng Packaging Group Ltd has established a strong lead in Singapore's paper packaging industry with the incorporation of a wholly-owned subsidiary, United Packaging Industries Pte Ltd in 2008. Having the same core activities in the manufacture and sale of corrugated paper products as Tat Seng, the acquisition of the business of United Paper Industries Pte Ltd has pushed the group to market leader position in the local industry.

// While our operations and business are integral to the success of the PSC Group, we continue to stay committed to the communities in which we serve. //

With an international network of partnerships and alliances, Intraco has made progress with a strategy of operating as a global integrated solutions trading company built upon long-term partnerships. The group undertook a thorough strategic review in 2008. With a restructuring and streamlining of operations and

business portfolio in the second half of 2008, the group has reshaped its business model and been transformed into a lean, nimble and cost-competitive organisation.

In late 2008, the Group acquired a 27.85% shareholding in Prime King Holdings Limited for HKD60 million. This company, through its wholly-owned subsidiaries, holds three plots of adjoining lands (including a four-storey commercial building erected on one of the plots) in the city of Tongxiang, east of Hangzhou in the People's Republic of China.

Responsible Citizens

While our operations and business are integral to the success of the PSC Group, we continue to stay committed to the communities in which we serve. We remain dedicated to the promotion of healthy living and community bonding through our sponsorship of activities such as the National Street Soccer League – Lee Hsien Loong Challenge Trophy. We have also involved our loyal franchisees in our corporate social responsibility mission with a fund-raising in support of the Kidney Dialysis Foundation. Donation boxes were placed in participating iEcon

outlets islandwide in this highly successful move.

Our efforts do not only benefit the local community. Chupa Chups, a well-known lollipop brand distributed by Topseller, also sponsored thousands of lollipops to the Firefly Mission for children in Myanmar and Maesot, Thailand, in a charity effort supported by PSC.

Conscientious Workplace

As the effects of the economic crisis become apparent, we are thankful for the contributions and loyalty from our staff. Amidst the gloom of the crisis, we are glad that no retrenchments have been necessary, as we focused on our efforts to improve our company working culture and environment. Through a series of workplace health and service quality initiatives, we have made and will continue to make PSC a better place to work in.

Acknowledgement

The year ahead is one filled with challenges and difficulties, but our strong brand position as the leader in Consumer Essentials and our sturdy foundations will see us through positively. I would like to extend my gratitude to our staff for their unwavering

dedication. I would also like to thank our business partners, customers, suppliers, financial associates and shareholders for their support and contributions.

The PSC Group will look forward to 2009 with focus and continue to forge ahead as a team to ride out this storm together. Let us all keep our eyes on the horizon, for opportunities and progression in the year ahead.

Foo Der Rong

Managing Director & CEO

董事经理兼总裁致辞

亲爱的股东们:

2008年是动荡不安的一年,这不仅对普威集团而言,亦是对于整个新加坡甚至全球的公司。在全球经济危机阴影的笼罩下,消费者不仅情绪受挫,而且降低了购买能力。令我欣慰的是,普威集团能够在这片不景气的氛围中,专心致力于巩固和强健我们的核心竞争力,从而让普威品牌安然渡过眼前的这场风暴。

回顾与评估

回顾过往的一年,普威集团取得了稳健的业绩。在截至2008年12月31日的财政年度中,集团取得了3.0324亿新元的营业额,与上一财政年度的2.6194亿新元相比增长了15.8%。这归功于民生必需品组别的消费业务部门,以及策略性投资组别包装业务部门的营业额所取得的增长。

在2008财政年度中,消费业务部门的销售额增长了13.2%,达到2.0394亿新元。该业务部门通过其稳固的销售网络和成功的促销活动,提高了新加坡和马来西亚现有市场的产品销售。而媒体业务则通过扩大产品覆盖面以及收购扩充,取得了不俗的业绩。

由于销售额的提高和成本的严格控制,该业务部门在2008财政年度的息税前盈利(PBIT)取得了99.6%的增长,达到689万新元。

包装业务部门在2008财政年度的销售额为9635万新元,而2007财政年度则为7461万新元。销售额增加的主因是计入了集团的子公司—United Packaging Industries Pte Ltd,以及其它中国子公司的业绩,这些公司在去年都取得了佳绩。

该业务部门的息税前盈利(PBIT)为442万新元,相比前一财政年度的536万新元。若不

计入2007财政年度在房地产、工厂和设备的处置方面取得的369万新元收益,该年度的息税前盈利(PBIT)则为167万新元。依此计算,2008财政年度442万新元的息税前盈利(PBIT)比上一年度增加了275万新元。

集团在2008财政年度的毛利润率达到24.3%。集团应占联营公司股份的税后盈利从2007财政年度的225万新元下降到2008财政年度的182万新元。在计入保健业务部门较逊色的业绩和某些投资较高的亏损额之后,集团在2008财政年度的税前盈利为673万新元,而2007财政年度则为1229万新元。

因此,2008财政年度的净盈利为537万新元,而2007财政年度的净盈利为1092万新元。2008财政年度的股东可归属净盈利为347万新元,而2007年度则为758万新元。

实质进展

2008年的经济危机严重削弱了消费者的购买能力,本集团也无法摆脱衰退的影响。但是,集团通过积极调整和重新审查经营策略,确保各项业务组别的发展动力。

在公司高级副总裁-集团消费业务/集团策划邓翊庄先生的领导下,普威集团民生必需品组别的消费业务部门在2008年底进行了重组。我对该业务在2009年能够继续稳步成长持乐观态度。

尽管超级市场和其他食品杂货零售商的竞争日益加剧,iEcon特许经营仍是新加坡最大的食品杂货零售特许经营连锁店之一。其独特的销售理念是提供个人化的优质服务,从而超越现代消费者的预期,这一理念在目前的经济环境中尤为突出。由于接近基层大众,我们对客户日益变化的需求也了如指掌。

鸿运食品持续了稳健成长与不断创新的坚实步伐。Fortune Food Manufacturing扩大了产品范围,并推出了新品牌:物超所值的Soyworld豆花和豆腐,以及食用方便且价格大众化的传统甜点Sweet Spot。Fortune Food Marketing也于2007年大刀阔斧地对新加坡的产品分销到食品服务渠道进行了改造。至2008年底,该公司在发展和扩张速度、销售量和利润方面都取得了一定的突破。其分销网络所覆盖的范围在深度和广度方面都相当强大,客户包括酒店、小贩中心、伙食供应商、航空膳食、医院、船舶补给商和其他机构。

Topseller私人有限公司则在过去一年中到达了新的里程碑。该公司在2008年重新打造品牌形象,并于2009年2月以崭新的面貌面市。这一变化意味着公司力争成为本地和区域快速消费品行业的领导者的愿景更为显著。Topseller于2009年与Reckitt Benckiser合作,在新加坡分销其旗下品牌产品。Reckitt Benckiser是一间家用产品,保健和个人护理品的跨国公司。这一举措表示Topseller在实现其长远目标的道路上又向前迈进了一大步。

在我们力争实现为新加坡消费者所订立的长远目标的同时,我们的马来西亚子公司Socma Trading也在马来西亚的营销与分销活动中取得了可观的业绩。在扩大了糖果产品的范围后,Socma于2008年整体增长了20.8%。同时,该公司还进军饮料市场,争取到Wong Lo Kat草药饮料在马来西亚和文莱的分销权,完善目前零食和糖果产品的分销线路。

由于业务前景乐观,预计公司会有进一步的发展空间,加上新获取的分销权,Socma将搬迁至一个更大的仓储设施内,以配合扩张需求。

Tipex也充分把握机会在目前的基础上增强实力。该集团计划扩大其生产线,以满足市场对消费纸制品和商业纸制品两者的需求。与此同时,该集团还专注于探索新的分销渠道,寻找新的增长领域,例如度假村、俱乐部、快餐连锁店和船舶补给商。

在媒体与娱乐方面,新格媒体(InnoForm Media)于2008年2月25日收购了Alliance Entertainment,从而显著扩展了本地市场的家庭录像产品范围,各类亚洲及好莱坞的录像节目唾手可得。新格媒体还在越南设立了新的代表办事处,为成功进军亚洲市场又跨前了一步。从2009年开始,它将是华纳家庭视频(Warner Home Video)和20世纪福克斯(Twentieth Century Fox)录像产品在越南的独家分销商。这无疑加强了新格媒体在亚洲的市场占有率,该集团已蓄势待发,迎接未来的挑战。

InnoForm Digital Media也大幅进入市场研究和开发领域,通过网络电视(IPTV)为卡拉OK家庭用户带来新体验,这项计划预计将在2009年获得成效。

整体而言,Health Solutions集团在过去一年的表现低于预期。不过,该集团已经成功在马来西亚和中东获得工程项目。Health Solutions集团已在2008年对其业务进行了策略性重组,蓄势待发迎接保健业的未来挑战。

策略性投资

达成包装(Tat Seng Packaging)持续增长的势头。随着2008年7月21日设立了新的全资子公司United Packaging Industries Pte Ltd,它在新加坡的纸品包装行业中已站稳领导地位。由于United

Packaging在瓦楞纸产品的制造和销售方面拥有与达成集团相同的核心业务,在成功设立United Packaging后如虎添翼,把达成集团推上了该行业在本地市场的领导位置,并使这两家新加坡工厂在生产和资源配置方面相辅相成。

由于Intraco集团的国际合作与联盟网络,它将经营策略设定在建立长期合作关系基础上的全球综合贸易公司,并在这一策略的贯彻落实方面取得了进展。该集团在2008年重新检讨与评估发展策略,接着在2008年下半年对机构和经营的产品范围进行了重组和精简,该集团已重新制定经营模式,转变成成为精益、灵活而又在成本方面极具竞争力的机构。

在2008年后期,普威集团以6000万港元收购了Prime King Holdings Limited的27.85%股权。该公司通过其全资子公司拥有在中国杭州东部的桐乡市3个相邻的地皮(在其中一个地皮上屹立了一座四层楼高的商业大厦)。

负责的企业公民

我们为普威集团的成功投注精力的同时,也不忘履行我们对社会的承诺。通过资助李显龙杯全国街头足球联赛(National Street Soccer League – Lee Hsien Loong Challenge Trophy)等活动,积极提倡健康生活并加强社会凝聚力。同样的,我们忠诚的特许经营商店在参与公司履行社会责任方面也不落后,积极响应支持洗肾基金的筹款活动。捐款箱就设在全岛各地参与这项活动的iEcon商店内。这项活动举办得非常成功。

我们回馈社会的努力不仅使本地社群受益。Topseller所分销的著名棒棒糖品牌Chupa Chups也在一项普威集团所赞助的慈善活动中,为“缅甸儿童萤火虫计划”(Firefly Mission for children in Myanmar)和泰国的Maesot提供了数千支的棒棒糖。

尽忠职守的工作环境

在经济危机的影响日益显著的情况下,我要感谢全体员工一如既往的尽忠职守。在危机的阴霾中,我们庆幸公司无须裁员,反而更集中精力改善公司的工作文化和环境。通过一系列的职场健康和优质服务活动,我们要使普威集团成为一个更好的工作场所。

致谢

未来一年的道路虽然崎岖不平,荆棘密布,所幸我们拥有强大的品牌优势和稳固的基础,帮助我们战胜困难,并步入优质生活的领域。在此,我要感谢所有员工所展现的坚定不移的奉献精神,也要感谢我们业务合作伙伴、客户、供应商、相关金融机构和股东们所给予的大力支持与默默付出。

普威集团以满怀的壮志与信心迎接2009年,集团上下一心,昂首阔步,共同对抗这场风暴。让我们放眼未来,在新的一年里中努力发掘新商机,以期在暴风雨后更加壮大。

符德荣

董事经理兼总裁

Board of Directors



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 25 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 Chairman of Hanny Holdings Limited, all of which are Hong Kong-listed companies. He is also the Chairman of MRI Holdings Limited, an Australia-listed company and 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 German-listed company. He received an Honorary Degree of Doctor of Law from the University of Victoria, Canada.



Mr Foo Der Rong
Managing Director and
Chief Executive Officer

Mr Foo graduated with a Bachelor of Commerce from Nanyang University and has been the Managing Director & CEO of PSC Corporation Ltd for the past 6 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 other industries.



Dr John Chen Seow Phun
Deputy Chairman /
Non-Executive Director

Dr Chen sits on the Board of a number of publicly listed companies. He was a Member of Parliament from 1988 to 2006. He served 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 Teo Kee Bock
Executive Director

Mr Teo is the founder, Chairman and Managing Director of homegrown company, Super Coffeemix Manufacturing Ltd, and has more than 38 years of experience in leading and managing businesses. He is also the Chairman of Fuji Offset Plates Manufacturing Ltd, a Singapore-listed company since 25 March 1988. Mr Teo has been active in community service and was accorded the PBM – Pingat Bakti Masyarakat (The Public Service Star) in 1993 and the BBM – Bintang Bakti Masyarakat (The Public Service Star) in 1998. He was also conferred the Honorable Citizen status by the Changzhou Peoples' Government in 2002, and clinched two Ernst & Young entrepreneur awards in 2006. He is currently the Honorable Committee Member of the Management Committee of Ren Ci Hospital & Medicare Centre and Patrons for Kebun Baru Citizens' Consultative Committee and Fengshan Citizens' Consultative Committee.



Mr Chee Teck Kwong Patrick
Non-Executive Director /
Independent Director

Mr Chee Teck Kwong Patrick, PBM, was appointed as an Independent Director on 1 August 1990. Mr Chee holds a Bachelor of Laws (Hons) Degree from the University of Singapore. He has been an advocate and solicitor of the Supreme Court of the Republic of Singapore since 1980. He is now a senior legal consultant with KhattarWong.

Mr Chee is a Notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators, Singapore Institute of Internal Auditors and Singapore Institute of Directors. He also sits on the Board of other public listed companies.

Mr Chee is active in community service and is the Vice Chairman of Teck Ghee Community Club and the Organising Chairman of the National Street Soccer League. 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.



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 in the high-end manufacturing sector.

Board of Directors



Mr Lien Kait Long

Non-Executive Director /
Independent Director

Mr Lien Kait Long was appointed the Independent Director and Chairman of the Nominating Committee of PSC Corporation Ltd on 1 June 2005.

He has extensive experience in accounting and 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.

The listed companies that he has present and prior experience in are from diverse industries including manufacturing, stockist cum trading, telecommunications, oil & gas, consumer, textile and food & beverage. Mr Lien holds a Bachelor of Commerce Degree from Nanyang University, and is a Fellow member of the ICPAS and CPA Australia.

Mr Chan Sek Nin Jackey

Non-Executive Director

Mr Chan is presently holding the capacity of Chief Operating Officer in Hanny Holdings Limited and has over 15 years of solid experience in sales and marketing in connection with the media industry by holding senior positions in Television Broadcasts Limited. He also has extensive experience in property development, project management and strategic alliance management through senior positions in other private and public listed companies.

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

Senior Management



Mr Alan Tang Yick Chong

Senior Vice President
Group Consumer Business /
Corporate Planning

Mr Tang has more than 23 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 in the United Kingdom.

Ms Lena Teo Wai Leng

Senior Vice President
Group Human Resource /
Corporate Services /
Special Projects

Ms Teo has over 18 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 Curtin University of Technology in Australia.

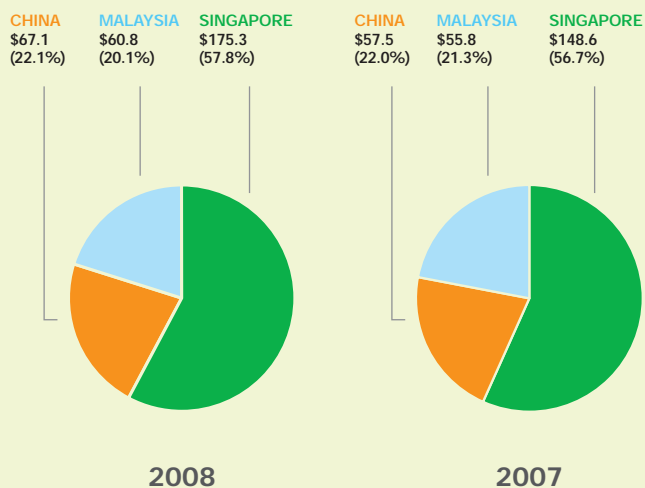
Ms Wong Juan Meng

Group Financial Controller

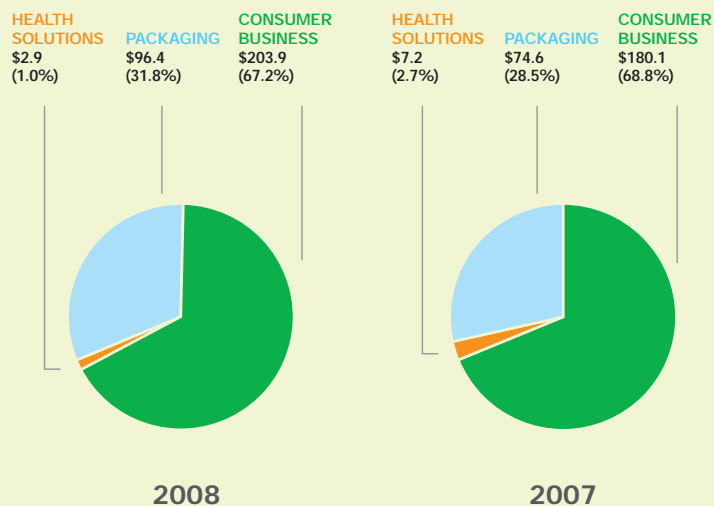
Ms Wong has more than 23 years of regional experience in audit, finance, corporate finance, treasury and risk management in industries ranging from FMCG, property and hospitality. She holds a degree in Accountancy from the University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

Group Financial Summary

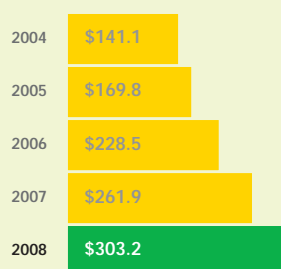
Turnover by geographical segments
(\$ million)



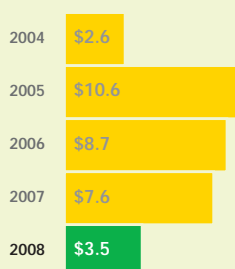
Turnover by business segments
(\$ million)



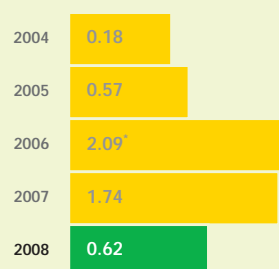
Turnover
(\$ million)



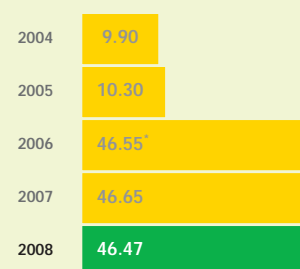
Profit after taxation & minority interest
(\$ million)



Basic Earnings per share
(cents)



NAV per share
(cents)



* Based on weighted average no. of shares in issue during the year after taking into account the share consolidation and rights issue in 2007.

* Based on the number of shares in issue as at 31 December 2006 after taking into account the share consolidation and rights issue in 2007.

Corporate Information

Board Of Directors

Allan Yap
Executive Chairman

Foo Der Rong
Managing Director & CEO

John Chen Seow Phun
Deputy Chairman /
Non-Executive Director

Teo Kee Bock
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

Chan Sek Nin Jackey
Non-Executive Director

Company Secretaries

Chew Kok Liang
Annie Wong Sook Cheng

Registered Office

348 Jalan Boon Lay
Singapore 619529
Tel: 6268 4822

Share Registrar

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

Operations Review

With an eye on consumer trends and an awareness of the need for a long term strategy to overcome challenges, PSC repositioned itself in 2007 with a differentiation as "The Leader in Consumer Essentials".

The restructuring of the Group's businesses into 2 main clusters, Consumer Essentials and Strategic Investments, has proven to be a successful strategic move. Since 2007, the Consumer Essentials cluster has consistently delivered a stable performance, even as signs of a global economic downturn loomed in 2008. The cluster achieved a turnover of \$206.89 million in the year in review.



Consumer Essentials

The essence of the PSC brand is to always be there for you and your family. Through constant renewal, we understand and respond to your changing needs and preferences.

For the year in review, PSC has stayed true to its differentiation as the Leader in Consumer Essentials. While consumer sentiments may have been dampened by the global economic turmoil, we have maintained our value propositions to deliver economic value, quality, and innovative products and services to our consumers. With capabilities in manufacturing, distribution, marketing, retail management, packaging and the media, PSC's diverse, multi-faceted businesses stand it in good stead in the years ahead.

Franchise Management and Marketing

Since its inception, the iEcon mini-mart franchise has grown to become one of the largest neighbourhood grocery retail franchise chains in Singapore with over 100 outlets islandwide.

In spite of growing competition from supermarkets and other grocery retailers, the iEcon chain has remained a significant player in the general retail trade. The chain thrives on its unique selling proposition of providing personalised quality service to exceed the expectations of the modern

consumer. For years, iEcon has been offering convenient one-stop grocery shopping with a diverse range of high quality and economical household essentials in addition to innovative value-added services.

Each iEcon store is strategically and conveniently located to serve a specific neighbourhood. This places the iEcon store in close contact with customers, pre-empting and adapting to the ever-changing needs and demands of its customers.

The unique iEcon Franchise Model rewards the entrepreneurial spirit of the iEcon owner-operator whilst providing them maximum support. This is done through PSC's strong financial backing, efficient supply chain, branding, economies of scale as well as management of information and efficient operational systems.

In view of the economic challenges ahead, iEcon is well-positioned to support a growing number of entrepreneurs who may wish to join a successful franchise with an extensive retail network like iEcon.

FMCG Manufacturing, Marketing and Brand Management

The year in review marked several milestones in more ways than one for this business, which is one of the pillars of the Consumer Essentials cluster.

Established since 1977, Topseller is a wholly-owned subsidiary of PSC. Its illustrious history, is testament to its experience in marketing, management, distribution and building brands in Singapore, with a focus on fast moving consumer goods (FMCG). The company underwent a brand revamp process in 2008 and unveiled a new identity in February 2009, signifying the company's determination as one of the leading players in the local and regional FMCG industry.

Topseller carries a wide range of popular proprietary brands. In Royal Umbrella Fragrant Rice, Topseller has the most trusted and preferred brand of rice for Singaporeans. Royal Umbrella Fragrant Rice has been bringing families together with its heart-warming taste and wholesome goodness for over 20 years.

Consumer Essentials



For this binding quality, Topseller achieved the Platinum Award in the Reader's Digest Trusted Brands 2008.

Harmuni Beras Wangi (Malay for Harmuni Fragrant Rice) is another popular brand of rice marketed by Topseller. Well-supported by Malay consumers, it has a unique aroma and soft texture due to the use of sophisticated technology and high levels of hygiene during processing. Riding on the success of Harmuni, Harmuni Beras Siam (Harmuni Premium Thai Rice) was launched in August 2008.

Topseller has also been going the extra mile in providing Singapore consumers

with a diverse range of consumer essentials, such as the Golden Circle range of cooking oil under its wing. With a long history dating back to the eighties, Topseller has since launched a variety of cooking oils with Healthier Choice certification, such as Golden Circle Sunflower Oil and Golden Circle Canola Oil, to accompany its flagship Golden Circle Corn Oil. A new member of the Golden Circle family, Golden Circle Vegetable Oil, was introduced in 2008. Using refined high quality palm olein, it is cholesterol-free and gives consumers a healthy alternative.

In line with its business responsibility to offer consumers healthier options, one of the company's "topseller" is the Soyelite Soyabean Oil. Made from one of the oldest and most nutritious food in the world, Soyelite's high-protein, high-nutrition and Omega 3-rich content explains its popularity among local consumers. For this reason, Soyelite has been recognised as a Superbrands winner in 2008.

Topseller highlighted a marked achievement when, in 2009, it commenced a collaboration with Reckitt Benckiser, a global force in

household, health and personal care, to distribute its products in Singapore. Topseller's other renowned partners include 3M, Chupa Chups, Clarks, Lion, Pauls and Nestle.

Topseller continued its success in the management of brands with Chupa Chups, by Perfetti Van Melle (PVM). Since taking on the distribution of the Chupa Chups brand in April 2007, Topseller has achieved double-digit growth for the brand in Singapore.

Efficiency of the supply chain and the lead time for delivery of Chupa Chups has been greatly improved with the opening of a Chupa Chups plant in Vietnam in 2008. In the same year, Topseller also celebrated with Chupa Chups its 50 years of achievements with an advertising campaign, comprising of print and bus advertisements. The highly successful campaign marked Chupa Chups' inaugural branding initiative here using the mass media. Anniversary-themed consumer promotions were implemented and new flavours – Choco and 3-in-1 Exotic Flavours – were also launched to enthusiastic response. Chupa Chups has also supported PSC

Finding the Right Fit



in its corporate social responsibility with a generous contribution of lollipops to the young victims of Cyclone Nargis in Myanmar and the refugees of Maesot in Northern Thailand. The simple act has brought great cheer to the children in the midst of their misfortune.

Our marketing arm in Malaysia, Socma Trading, has also achieved a significant measure of success in 2008. It has registered positive growth through its distribution of snacks and confectionary. Socma has ventured into the beverage segment and has been appointed the distributor for Wong Lo Kat herbal drink in Malaysia and Brunei from September 2008. The new segment will complement its current focus on snacks and confectionary.

Brands under the care of Socma were supported with above- and below-the-line marketing activities in 2008. Such brands include Harmuni, Chupa Chups, Mentos and Smint. In the same year, Socma also launched new products for Chupa Chups lollipops and Mentos. Due to strong positive growth in the last five years, Socma will be moving to a new premise in Subang Jaya at the end of March 2009, with larger

warehouse storage to accommodate expansion needs.

PSC's Consumer Essentials capabilities also include a strong position in the manufacturing industry. Since its inception in the early eighties, the Fortune Food group has capitalised on its strengths and fortified its position as a leading player in innovative food manufacturing in Singapore.

Building on its specialisation in soya bean-based products, Fortune Food raised its flag higher in 2008 by increasing their range of house brands and expanding their portfolio of quality products. In order to meet the needs

of consumers in this challenging economic climate, Fortune Food introduced Soyworld in late 2008. The new brand includes three 'evergreen' products – silken tofu, tau kwa and egg tofu. These are priced slightly lower than other equivalent brands to cater to the increasing number of consumers looking for value for money.

Further tempting the taste buds of consumers, Fortune Food also launched a new brand of traditional desserts – Sweet Spot – in a ready-to-eat, convenient package. Consumers can now enjoy sesame paste and peanut paste desserts any time, any place.

The group has also expanded its capabilities and established one of the strongest chilled distribution networks in Singapore. Fortune Food has been offering many proprietary brands and agency lines to retail, as well as food service channels such as hotels, restaurants, hospitals, army camps, private clubs, institutions, flight kitchens, caterers, ship chandlers, hawkers and food courts.



Consumer Essentials

Offering a myriad of choices to consumers is the commitment of Fortune Food. The group boasts a wide range of brands such as Gitangkim Rice, Royal Umbrella Fragrant Rice, Golden Circle cooking oil, Golden Circle MSG, OKOME Japanese Shortgrain Rice and Singpo detergent powder. It also continuously brings quality foreign food products to Singaporeans, such as Pauls UHT Milk, DIMES 100% Turkish Fruit Juice, Sinsin Sauces, Aroy-D Coconut Cream and JA Rice. Continuing the strong distribution of Japanese JA Rice since 2004, Fortune Food has added two new premium product lines in 2008 – JA Saga Hinohikari and JA Tokushima Koshihikari – which are directly imported from Japan. The full range of JA Rice is well-favoured by Japanese and locals alike.

As proof of its strong record, Fortune Food has been ranked as one of the top distributors in South East Asia in 2008 as a result of a strong partnership with DIMES Juice, a Turkish fruit juice company with a long history since 1958.

Tipex Trading, one of the major distributors of consumer tissue paper products in Singapore, owns local

leading tissue paper brand, Beautex, which has been providing local consumers with a complete range of tissue product for years. With the recognisable tulip-themed motifs and vibrant packaging designs, Beautex's popularity is unrivalled and has been recognised as a Superbrand from 2004 to 2009.

Besides Beautex, Tipex also owns other tissue paper brands such as Mood, Hibis, Comfy and Parity. The company distributes Paseo paper products, consisting of premium tissue products such as four-ply printed bathroom tissue and three-ply bathroom range, for general retail outlets in Singapore.



Tipex's subsidiary, Tips Industry, a tissue-converting plant in Malaysia, has also achieved ISO 9001 and ISO 14001 standards. It supplies not only to Singapore and Malaysia, but also exports tissue products to New Zealand, Australia, Brunei, India, Vietnam and East Timor.

Health Solutions

PSC's health solutions arm continues to be committed in providing quality healthcare consulting and facility development services.

Health Solutions achieved another major milestone in Malaysia with the award from the government for the design, construction, completion, equipping, commissioning and maintenance of a new nuclear and radiotherapy medical centre in Kota Kinabalu, Sabah. Connected to the existing Likas Hospital via bridge-links, the new building will contain the latest radiotherapy units to house rare oncological pathologies and high calibration diagnostic methodologies for the provision of effective state-of-the-art treatment.



The group's Medical Equipment Planning department expanded its portfolio to include collaborative efforts with external prospective hospital contractors, in addition to focusing on in-house hospital projects. Testament to this is the award of a contract to provide medical equipment planning and procurement consultancy for the rehabilitation hospital project in Cheras, Kuala Lumpur. Scheduled for completion by early 2011, the public hospital will be the first of its kind in Malaysia and is expected to be the largest in South East Asia. The facility will have specialisations in areas of speech & occupational therapy, audiology, prosthetics & orthotics and

physiotherapy, and will be equipped with cutting-edge technological equipment for comprehensive prognosis of various pathologies and conditions.

Progress in other parts of the world has been equally rewarding. In the Middle East, the design works for the surgery complex in Basrah General Hospital in Iraq is near completion.

Design work for the group's two maiden projects with Al-Mobty Company in Saudi Arabia has also been finalised. The project with Al-Leith Hospital is progressing smoothly and it will be maintained as a 100-bed facility, while the Mukwah Hospital project has been enlarged to accommodate 200 beds. Pre-construction works have been initiated, with Health Solutions playing an active role in ensuring proper design and planning considerations.

The Middle East holds vast potential and the Group will continue working towards capitalising on the numerous opportunities that are present with the many upcoming healthcare projects in Saudi Arabia.

The Management Services division of the group continues to make tremendous contributions to the hospitals under the group's purview in The Philippines and Indonesia.

Health Solutions has successfully completed another year of positive revenue and profit growth in The Philippines for the De Los Santos Medical Centre in Quezon City, Manila, with seven years of continuous growth now recorded for the facility.

The Rumah Sakit Telogorejo (RST) in Semarang, Indonesia has completed its third year with Health Solutions with a remarkable achievement of an 80% increase in its net profits since the commencement of the contract with Health Solutions. This translates to an average of a 27% improvement in its net profit on a yearly basis. Through aggressive marketing, the hospital has successfully established itself as a leading private healthcare provider, and also the preferred specialist in cardiac care in Semarang. The hospital is embarking on the journey to be ISO 9002 certified to enhance its overall service level.

Consumer Essentials

In the face of the global economic downturn, the group's Family Care International Clinic in Vietnam continues to persevere favourably, having successfully registered a 46.7% growth in revenue. This growth is attributed to focused marketing strategies and the commitment of the entire organisation. The clinic rebranded itself with a strategic relocation to a new 6-storey location in September 2008. With plans to further expand its services, the clinic will continue to see growth despite the challenging times ahead. The group is also expected to intensify its exploration of prospective healthcare-related projects in Vietnam to ensure its 2009 business objectives are achieved.

In all, the Health Solutions group has taken early measures to minimise the adverse effects of the global downturn, including strategically restructuring its operations to meet with the future challenges and demands of the healthcare industry.

Media Education and Entertainment

As the era of communications continue to gain momentum, media and entertainment form a vital part of PSC's network of businesses. One of PSC's



key subsidiary, the InnoForm group, continues to be a leader in the distribution of 'edutainment' and entertainment products in Singapore and Asia.

Over the years, InnoForm Media has gained a foothold in the distribution of dramas and movies from Asia including Korean dramas. At the helm of the group is Ms Angeline Ang, who was appointed President of InnoForm Media in 2008. Her portfolio includes overseeing the management of the InnoForm group and spearheading growth strategies for the group.

The acquisition of Alliance Entertainment

in 2008 has enabled InnoForm Media to expand and enhance its diversification into the manufacturing and distribution of video compact discs and digital video discs of a range of productions and titles from Warner Home Video Inc and Twentieth Century Fox Home Entertainment International Corporation. InnoForm Media has also set up a representative office in Vietnam and will be the exclusive distributor there for Warner and Twentieth Century Fox from 2009.

One of the main highlights of the year for InnoForm Media was the Korean Film Festival 2008, organized together with the Embassy of the Republic of Korea. The week-long event was held at Shaw Lido in November 2008. The festival was part of the 2008 Korea Festival which encompassed cultural, travel, food and entertainment. The festival received overwhelming response, with tickets for the opening film *The Good The Bad The Weird* and the closing film, *Crossing*, being sold out.

2008 was a year of the stars with the visit of female "Ong Bak" personality Jija Yanin and Bruneian heart throb,

Tipping the scales



Wu Chun. The up-and-coming Thai action female artiste, Jija Yanin, visited Singapore to promote *Chocolate* in May 2008, leaving many in awe with her swift and powerful moves. Bruneian actor and singer Wu Chun, part of the popular Taiwanese boy group, Fahrenheit, also came to Singapore on 15 October to promote his debut movie *Butterfly Lovers*.

Ip Man, featuring Bruce Lee's kungfu master, hit cinemas on 18 December. Starring Donnie Yen, the martial arts film grossed \$2.5 million in the box office four weeks into its screening, making it the highest grossing movie distributed by InnoForm in 2008.

Upcoming plans for the year ahead include the co-production of *King of Fighters* with Taiwan's Double Edge Entertainment, Japan's Micott & Basara, US's Inferno Entertainment, U.K.'s , Axis Entertainment and Convergence Entertainment. InnoForm Media will be handling the distribution rights in Singapore and Malaysia.

As a video game, *King of Fighters* has sold over 10 million copies world-wide in over 50 countries and has been voted

the Top 10 most popular fighting games of all time. The film will be a live-action adaptation and is budgeted at US\$12 million. It will feature Maggie Q, Sean Faris, and Ray Park. *King of Fighters* is directed by Hong Kong director, Gordon Chan (*The Medallion*, *Painted Skin*). With Hollywood's best action choreographers working on *King of Fighters*, it presents itself as a unique international hybrid of Hong Kong and Hollywood film-making. Slated for worldwide release in the third quarter of 2009, the highly anticipated film has attracted many international pre-sales deals to date.

InnoForm Media's children's 'edutainment division', Innokidz, successfully launched the anticipated *Hi-5 Series 8* and *The Adventures of Hello Kitty* in 2008 too. It has also strengthened its position by embarking on a partnership with new corporate partners from the FMCG industry. These new working relationships will allow the division to achieve better market reach for selected properties, such as *Hi-5* and *The Backyardigans*. The division is expected to explore other business opportunities with cross-industry partners in the coming year.

InnoForm Media's acquisition of Alliance Entertainment Singapore has significantly expanded its range of products and enlarged the group's market share. Working exclusively with the biggest Hollywood studios including Warner Bros., Twentieth Century Fox, MGM Home Entertainment and New Line Home Entertainment, Alliance Entertainment has brought the magic of Hollywood to consumers' homes.

In 2008, Alliance Entertainment welcomed the Blu-Ray technology. Blu-ray is the future of home entertainment and once again Alliance Entertainment is at the forefront of movie revolution. With the official launch of Blu-ray in Singapore by Warner Bros. and Twentieth Century Fox, Alliance Entertainment has prepared Singapore for the next generation in entertainment.

2008 also saw the video release of *The Dark Knight*, the highly anticipated sequel to *Batman Begins*. A blockbuster action hit of the year, *The Dark Knight* was one of the best-selling home video titles of 2008. *The Dark Knight* is directed by Academy Award® nominated filmmaker Christopher Nolan, and features outstanding

Consumer Essentials

performances from Christian Bale, Michael Caine, Heath Ledger, Gary Oldman, Aaron Eckhart, Maggie Gyllenhaal and Morgan Freeman. 2009 is set to be another action-packed year for Alliance Entertainment. Alliance Entertainment is home to the biggest blockbusters of 2009: *Harry Potter and the Half Blood Prince*, *X-men Origins: Wolverine*, *Quantum of Solace* and *Twilight*. Along with these blockbusters, Alliance will also release the highly anticipated 24 Season 7 TV series on DVD, as well as TV hits like *Supernatural*, *Gossip Girl* and the final season of *Prison Break* on DVD.

InnoForm Entertainment has been authorised to act as the collective agent in the Karaoke-On-Demand (KOD) scene since April 2007. The company has been consistently enhancing its exclusive reproduction rights with a wider and more extensive repertoire of music videos from record companies to the karaoke market. In 2008, InnoForm Entertainment was proud to announce the new inclusion of two additional record companies under its exclusive care. Life Record Industries

Pte Ltd and Suwah Enterprise (M) Sdn Bhd has been added into the company's stellar cast of major record companies, namely Asiamuse Entertainment, EMI Music, Forward Music, Him Music, Ocean Butterflies Music, Rock Records, SONYBMG Music, Universal Music and Warner Music.

InnoForm Digital Media continues to consolidate its position as the market leader of Karaoke-On-Demand (KOD) system in Singapore under its MusicBox branding.

The company has ventured into market research and the development of delivering karaoke through IPTV (Internet Protocol Television) technology. This new project is expected to bear fruit in 2009, bringing to home users an unparalleled karaoke experience.

As a group, InnoForm is set to strengthen its lead under the current economic climate as the entertainment provider in Singapore and Asia.

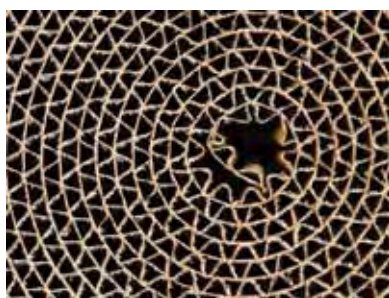
Strategic Investments

Tat Seng Group

PSC's investment in Tat Seng Packaging Group Ltd has seen it grow from strength to strength. Through the years, the group has progressed through continuous improvement and has been maintaining a stronghold in the marketplace.

During the year in review, the group incorporated a wholly-owned subsidiary, United Packaging Industries Pte Ltd. Since the acquisition of the business of United Paper Industries Pte Ltd, the group has become one of the market leaders in Singapore's paper packaging industry.

The group continued to forge ahead despite the downturn in the economy. Its turnover for the year 2008 ended on a high note, with a 29% increase from the previous year.



The group made continuous efforts to increase the capacity and quality in its Singapore operations. It installed a new steam boiler and racking system in order to enhance the efficiency of its operations.

The group's China operations were a major contributor in terms of revenue and profit. In addition to an increase in revenue, operations in Suzhou continued to perform well as a result of economies of scale and continuous

improvement. The operations at Hefei made significant improvements after the reorganisation of the production floor at Hefei Dansun Packaging Co., Ltd and the increase in production space. In March 2008, a four-colour flexographic printing machine was commissioned in Hefei Dansun. This enabled the facility to provide better quality products and to meet increasing customer requirements.

In the face of a challenging economy, the group will continue to adopt a prudent business approach while turning its attention to cost control, improving efficiency and production rationalisation. The group will continue to strengthen its businesses and build on its strengths to meet the challenges in these challenging market conditions.

Strategic Investments

Intraco Group

The Intraco group has five business sectors, namely, Industrial Materials, Building Materials & Security Solutions, Agri-Business & Foods, Energy & Environment and Semiconductors.

As the economic turmoil takes its toll on companies around the world in 2008, the Intraco group has streamlined its operations to position itself as a lean, nimble and cost-competitive organisation. The Intraco group is well-positioned to meet the challenges ahead.

The Industrial Materials sector keeps its focus on the integrated global procurement, trading and marketing of industrial materials, including Metals and Minerals, Plastics and Petrochemicals. The sector plans to increase its market competitiveness in 2009 by developing a wider range of products and building on its long-term supply sources.



The Building Materials & Security Solutions sector focuses on integrated global procurement, trading and design, as well as consultancy services. Its product and services range from Conventional Lighting, Cable Furnishing, Sands Supply, Seating System to Learning Portal. In the year ahead, the sector will focus its attention on developing long-term recurring businesses.

The Agri-Business & Foods sector focuses on integrated global procurement, processing and value-added customisation. In the year ahead,

the sector will explore the feasibility of expanding our current business through active involvements in the whole supply chain from procurement, processing to marketing.

The Environment & Energy sector concentrates on environmentally-friendly integrated energy saving lighting solutions and lighting management solutions. Moving forward, the sector will be exploring partnerships with reputable business partners which have synergies with the group's operations.

The Semiconductors sector concentrates on the distribution of semiconductors and computer components including AMD processors, as well as the provision of embedded and wireless design services and solutions to global customers.

经营情况回顾

鉴于消费习性的改变并意识到拟定长期发展战略的重要性，普威集团在2007年已更新集团的定位。我们的目标是要让集团“步入优质生活领域”。在新的定位下，集团的业务已归纳成两大组别，即‘民生必需品业务’和‘策略性投资’。自2007年，民生必需品业务已稳健发展。即使面对2008年出现全球经济放缓的负面环境，这一组还取得新币2.0689亿元的业绩。

民生必需品

在过去的一年，普威集团始终坚持“步入优质生活领域”这一战略方针。尽管消费者的情绪因全球经济动荡而受挫，但这并不动摇我们所坚守的价值理念。就是为我们的消费者提供经济实惠、优质新颖的产品与服务。由于集团在生产、分销、营销、零售管理、包装和媒体等领域均拥有强大的实力，从长远角度来说这些多元化多层面的业务肯定会让集团受益匪浅。

特许经营的管理与营销

自初创以来，iEcon迷你市场特许经营商店已发展为新加坡最大的邻里食品杂货零售特许经营连锁店，遍布全岛各地的店面多达100余间。

尽管超级市场和其它食品杂货零售商的竞争日益加剧，iEcon 连锁店在普通零售业中依然屹立不倒。其独特的销售理念是提供个人化的优质服务，从而超越现代消费者的预期，正是秉承这一理念，iEcon连锁店得以蓬勃发展。多年来，iEcon一直推出各种优质且经济实惠的日常必需品，务求为顾客提供便利的一站式食品杂货服务以及各类创新增值服务。

每家iEcon商店都设在显著且便利的地理位置，以便为特定的邻里社区服务。这使iEcon商店与顾客保持密切联系，凡事都能占有先机，满足顾客不断改变的需求。

iEcon独特的经营模式不仅给予iEcon业主－经营者最大的支持，同时也带给他们创业的满足感。这一切皆受益于普威集团的雄厚财力、高效的供应链、品牌建立与推广、规模经济效益以及资讯管理和有效的经营系统。

尽管经济前景不明朗，却有更多人群有意加入像iEcon这样拥有庞大零售网络的成功特许经营机构，以成就事业前程。

快速消费品的生产、营销和品牌管理

这一领域是民生必需品组别的中流砥柱之一，去年我们在多个方面均取得了意义非凡的成果。

成立于1977年的Topseller是普威集团的全资子公司。Topseller主攻快速消费品(FMCG)市场，其辉煌历史足以证明它在新加坡的营销、管理、分销与品牌建设的实力。不断求新求变的Topseller于2008年重新打造其品牌形象，于2009年2月以崭新的面貌面市，公司对成为本地和本区域快速消费品行业领导者的决心可见一斑。

Topseller拥有众多广受欢迎的专属品牌。以皇族安培哪香米为例，它是新加坡人最信赖和最喜爱的大米品牌。20多年来，皇族安培哪香米一直以其温馨及健康的品质形象将家庭凝聚在一起。这种特质使Topseller于2008年荣获《读者文摘》信誉品牌的白金奖。

Harmuni Beras Wangi (Harmuni香米的马来语)也是Topseller所营销的另一个畅销香米品牌。由于在加工处理过程中采用了尖端的科技和严格的卫生水平，让米散发着一种独特的芳香且松软可口，因此深受马来族群的青睐。在受到Harmuni香米高销售的鼓舞下，Topseller再接再厉于

2008年8月推出了Harmuni Beras Siam (Harmuni优质的泰国白米)。

Topseller一直竭力为新加坡消费者提供种类繁多的民生必需品，其中就包括金圈(Golden Circle)食用油。Topseller经销食用油的历史可追溯到上个世纪80年代，后来相继推出了附有较健康选择标签计划保证(Healthier Choice)的多种食用油，除了其最著名的金圈玉米油，还包括金圈葵花籽油和金圈芥花籽油。该公司于2008年又为金圈系列产品增添了新的成员——金圈菜油。它采用精炼的高品质食用棕榈油，不含胆固醇，为消费者提供了健康新选择。

Topseller的最畅销产品之一是Soyalite牌黄豆油，它体现了为消费者提供更健康选择的商业责任。Soyalite由世界上其中一种最古老、最具营养的食物－黄豆制成，含有高蛋白、高营养和丰富的Omega 3，这也是它深受本地消费者喜爱的原因。为此，Soyalite在2008年被评为超级品牌(Superbrands)。

Topseller于2009与Reckitt Benckiser合作，在新加坡分销其旗下的品牌产品。Reckitt Benckiser是一间家用产品、保健与个人护理的跨国公司。Topseller的其它著名合作伙伴还包括3M、Chupa Chups、Clarks、Lion、Pauls和Nestle。

Topseller在管理Perfetti Van Melle (PVM)的Chupa Chups品牌方面也表现不俗。自2007年4月获得Chupa Chups棒棒糖的分销权后，已在新加坡取得了双位数的增长。

随着于2008年投产以来的Chupa Chups越南工厂，使Chupa Chups产品的供应链效率和交货期得到大幅度改善。同年，

经营情况回顾

Topseller通过广告促销活动庆祝Chupa Chups品牌50周年，其中包括宣传印刷品和巴士广告。这项促销活动首次利用大众媒体为Chupa Chups进行品牌推广，并取得了莫大的成功。除了以周年纪念日为主题的消费者促销活动外，公司也致力于产品的推成出新，一举推出了两种新口味—Choco和3-in-1 Exotic Flavours，也获得了非常热烈的反应。

Chupa Chups也鼎力支持普威集团所倡导的企业社会责任，慷慨捐赠棒棒糖给缅甸Nargis飓风的年轻灾民和泰国北部Maesot的难民。这一善举为身处不幸的孩童们带来了莫大的喜悦。

我们在马来西亚的销售臂膀Socma Trading也在2008年取得了显著的成功。该公司所分销的零食和糖果继续取得了正向的发展。此外，Socma还成功进军饮料市场，争取到Wong Lo Kat草药饮料在马来西亚和文莱的分销权(从2008年9月开始)。这一新领域与其目前的零食和糖果产品可谓巧妙搭配交相辉映。

Socma所分销的品牌在2008年积极采用媒体广告和非媒体广告的营销策略。这些品牌包括Harmuni、Chupa Chups、Mentos和Smint。同年，Socma还为Chupa Chups棒棒糖和Mentos品牌推出了新产品。

由于在过去五年的强劲增长，Socma将于2009年3月底搬迁至设在马来西亚梳邦再也(Subang Jaya)的新厂房，该厂房拥有更宽敞的仓库空间及设备，以配合扩充需要。

普威集团在民生必需品业务的强大供应能力，也离不开其制造业方面的强大支撑。自20世纪80年代初建立以来，鸿运食品充分利用其实力巩固在新加坡创新食

品生产中的领先地位。鸿运食品凭借其在大豆产品方面的专长，于2008年增加了自家品牌的数量并扩大优质产品的范围。

为了在目前这极富挑战的经济环境中满足客户的需求，鸿运食品于2008年后期推出了Soyworld品牌。这一新品牌包括三种“常青”产品—日本嫩豆腐、豆花和蛋豆腐。这些产品的定价比其它品牌的同类产品略微便宜，满足讲究物有所值的消费者的需要。

为了进一步迎合消费者的口味，鸿运食品还以方便即食包装推出了新品牌的传统甜点—Sweet Spot。消费者现在能随时随地享用芝麻糊和花生糊甜点。

该集团还扩大了供应链方面的能力，建立新加坡最大的冷藏分销网络之一。鸿运食品自2004年起就开始为零售商和食品服务业者提供各类自家品牌和代理产品，客户包括酒店、餐馆、医院、军营、私人俱乐部、机构、机场厨房、伙食供应商、船舶补给商、小贩和食阁等。

为消费者提供多样化的选择一直是鸿运食品所信守的承诺。该集团拥有许多不同的品牌，例如Gitangkim白米、皇族安培哪香米、金圈食用油、金圈味精、OKOME日本短粒米和Singpo洗衣粉。它也陆续将外国的优质食品引进新加坡，例如Pauls UHT牛奶、DIMES 100%土耳其果汁、Sinsin酱料、Aroy-D椰浆和JA米。鸿运食品自2004年起分销日本JA米以来，业绩一直保持强劲势头，有鉴于此，鸿运食品于2008年增加了两种新的优质产品—JA Saga Hinohikari和，全部都是直接从日本进口。全系列的JA米深受日本人和本地人的喜爱。

DIMES成立于1958年，是历史悠久的土耳其果汁公司。鸿运食品与DIMES所建立的稳固合作关系，使前者能在分销果汁中取得佳绩。鸿运食品也因而2008年名列其东南亚最佳表现的分销商之一。

大亚贸易是新加坡的消费纸巾制品的主要分销商之一，拥有本地著名的纸巾品牌Beautex。该公司多年来一直为本地消费者提供全系列的纸巾制品。凭借其郁金香色调为主题的设计图案以及充满活力的包装设计，Beautex深受广大消费者的喜爱，从2004年至2009年连续获颁为超级品牌(Superbrand)。

除了Beautex以外，Tipex还拥有其它纸巾品牌，例如，Mood、Hibis、Comfy和Parity。该公司还分销Paseo品牌纸制品，包括4层印制卫生纸和3层卫生纸等优质纸制品，供应给新加坡的一般零售商店。Tipex的子公司Tips Industry是设在马来西亚的纸巾加工厂，该厂已获得ISO 9001和ISO 14001标准认证。它不仅向新加坡和马来西亚提供纸巾制品，而且还出口到新西兰、澳大利亚、文莱、印度、越南和东帝汶。

Health Solutions

普威集团的保健业务部门继续致力于提供高品质的保健咨询与设施开发服务。

Health Solutions公司在马来西亚取得了另一个具有非凡意义的成果，即获得一项为沙巴州哥打京那峇鲁的一个新核与放射医疗中心进行设计、建设、完工、设备安装、投入运行以及维护的政府合约。这个新建筑将通过连接桥来衔接现有的Likas医院，新大楼将包含最新的放射疗法单位，它将采用稀有肿瘤病理学和高精度诊断方法学，以提供有效先进的治疗方法。

除了把精力投注在内部的医院工程之外，集团的“医疗设备计划”(MEP)部还扩大范围，与外部的医院承包商合作。其中一项成果是，赢得了为位于吉隆坡蕉赖(Cheras, Kuala Lumpur)的康复医院项目提供医疗设备计划与采购咨询服务的合约。该公共医院计划于2011年初建成，将是马来西亚的首间康复医院并预计将是东南亚同类医院中最大的一所。该医院的专长领域是语言与作业疗法、听力学、假肢与矫正学和理疗等，医院将配备最先进科技设备以便为各种病理学和疾病进行综合全面的预断。

在全球其它地区的进展也同样令人满意。在中东，伊拉克巴士拉(Basrah)中央医院外科大楼的设计工作已接近完工。

集团与沙地阿拉伯Al-Mobty公司的两项新工程的设计工作也已获得落实。Al-Leith医院的工程进展顺利，将保持现有100张床位的设施，而Mukwah医院工程则把床位增加至200张。预建工作已经如火如荼地展开，Health Solutions公司将负责设计并确保计划得以稳当进行。

中东市场隐含着巨大的潜力，集团将继续努力发掘沙地阿拉伯即将建设的许多保健工程中所蕴藏的大量商机。

集团的“管理服务”(Management Services)部门将继续为集团在菲律宾和印尼所管理的医院作出巨大贡献。

位于菲律宾首都马尼拉Quezon市的De Los Santos医疗中心(DLSMC)去年再次为Health Solutions取得良好的收入和利润增长，该医院已连续7年取得增长。

位于印尼三宝瓏市(Semarang)的Rumah Sakit Telogorejo(RST)已经连续三年与Health Solutions保持友好的合作关系。

自从与Health Solutions签定合约以来，其净利润增长了80%，即每年净利润平均增长27%。通过积极的营销活动，该医院已经成功地使自己转变为三宝瓏市著名的私人保健业者，也是心脏护理专科的首选医院。该医院正在开始为ISO 9002认证进行筹备，以提升其整体服务水平。

尽管面对全球和国内的经济衰退，集团在越南的Family Care International Clinic继续受到病人的支持，成功地实现收入增长46.7%。这一增长归因于具有重心的营销策略和整个组织机构的尽职尽责。随着2008年9月的策略性计划而搬迁到一个新的6层楼地点，该诊所重新确立其品牌定位。尽管未来面对挑战，该诊所仍进一步计划扩大其服务范畴，因此将会保持增长势头。另外，该集团预计将加强开发越南的潜在保健工程，以确保实现2009年的经营目标。

总之，Health Solutions集团已经未雨绸缪，尽量减轻全球经济衰退所带来的不利影响，包括对其业务机构进行策略性重组，以适应未来保健业的挑战和需求。

媒体教育与娱乐

随着通讯时代继续加速发展，媒体与娱乐业务已成为普威集团业务网络中至关重要的一环。在新加坡和亚洲的教育娱乐和娱乐产品分销领域，普威集团的主要附属机构InnoForm集团仍居领先地位。

在多年来的努力之下，新格媒体(InnoForm Media)已在亚洲戏剧和电影(包括韩国戏剧)的分销市场占有一席之地。通过2008年对Alliance Entertainment的收购行动，使新格媒体开始着手制作和发行华纳家庭视频(Warner Home Video Inc)和20世纪福克斯家庭娱乐(Twentieth Century Fox Home Entertainment International Corporation)的各种作品和

节目的VCD和DVD影碟，从而扩大和提高业务的多元性。另外，新格媒体也在越南设立了一个代表办事处，从2009年开始成为华纳和20世纪福克斯在当地的独家分销商。

目前该集团的掌舵人是Angeline Ang女士，她已委认为新格媒体的总裁，职务包括管理新格媒体集团。

去年新格媒体集团的一个重大成果是与韩国大使馆联办“2008年韩国电影节”。这项为期一周的活动自11月1日起在Shaw Lido举行。电影节是“2008年韩国节”的活动之一，整个“韩国节”包含文化、旅游、食品和娱乐等项目。电影节获得了非常热烈的回响，开幕式电影《好家伙、坏家伙、怪家伙》(*The Good The Bad The Weird*)和闭幕电影《十字路口》(*Crossing*)的电影票被抢购一空。

2008年是群星闪烁的一年，号称女拳霸的泰籍女主角Jija Yanin和万人迷文莱华裔艺人吴尊相继到访。崭露头角的泰国动作片女星Jija Yanin于2008年5月来新加坡推介影片《巧克力》(*Chocolate*)，其身手敏捷且带劲的动作令许多人留下深刻印象。文莱演员兼歌手吴尊是颇受欢迎的男生歌唱组合“飞轮海”(*Fahrenheit*)的成员，他于10月15日来新推介其首部电影《梁祝》(*Butterfly Lovers*)。

表现李小龙师父武功的《叶问》(*Ip Man*)于12月18日正式在电影院上映。该影片由甄子丹(*Donnie Yen*)主演。这部武术电影在开映四周内获得250万新元的票房收入，创下新格在2008年所发行影片中票房收入最高的影片。

下一年的计划包括与台湾的Double Edge Entertainment、日本的Micott &

经营情况回顾

Basara、美国的Inferno Entertainment和英国的Scion Films联合制作电影《拳皇》(*King of Fighters*)。新格媒体将负责新加坡和马来西亚的分销权。

作为录象游戏的《拳皇》在全球50多个国家已售出1000多万份，并获选为史上10大最受欢迎的格斗游戏之一。而这部电影将是其转为真人版，预计费用为1200万美元。《拳皇》将由香港导演陈嘉上 (Gordon Chan) 执导 (曾经执导过《飞龙再生》(*The Medallion*) 和《画皮》(*Painted Skin*))，主要演员有Maggie Q、Sean Faris和Ray Park。由于有好莱坞的最佳动作指导参与《拳皇》的拍摄，这部影片可以说是香港与好莱坞电影界的独特国际组合。这部令人期待的影片计划在2009年第三季度在国际舞台隆重登场，迄今为止已吸引许多国际预售门票。

新格媒体的儿童教育娱乐部门Innokidz也在2008年成功地推出了万众期待的Hi-5系列8和《凯蒂猫探险》(*The Adventures of Hello Kitty*)。它还与快速消费品领域的公司伙伴建立了合作关系，从而巩固其实力。这些新的工作关系将使部分作品，例如Hi-5和《花园小子》(*The Backyardigans*)，取得更好的市场渗透率。该部门预计将在下一年与跨行业合作伙伴共同探讨新的商机。

新格媒体在收购Alliance Entertainment Singapore之后，显著扩大了其产品范围并且增加了其市场份额。Alliance Entertainment与华纳兄弟、20世纪福克斯、MGM Home Entertainment和New Line Home Entertainment等好莱坞最大制片商的独家合作，将好莱坞的魅力带进千家万户。

2008年，Alliance Entertainment再次走在电影革命的前列，采用了“蓝光” (Blu-Ray) 科技。“蓝光”科技是家庭娱乐的未来导向。随着华纳兄弟和20世纪福克斯正式在新加坡推出“蓝光” (Blu-Ray) 科技，Alliance Entertainment已协助新加坡的下一代娱乐节目做好准备。

该公司还在2008年推出了与《蝙蝠侠诞生》(*Batman Begins*) 同样令人期待的《黑暗骑士》(*The Dark Knight*) 录像片。作为这一年的重头戏，《黑暗骑士》是2008年最畅销的家庭录像节目之一。《黑暗骑士》由曾获Academy Award® 提名的制片人Christopher Nolan执导，由Christian Bale、Michael Caine、Heath Ledger、Gary Oldman、Aaron Eckhart、Maggie Gyllenhaal和Morgan Freeman主演，表现令人赞赏。

Alliance Entertainment在2009年仍将以动作片为主推出多部猛片：《哈利波特——混血王子的背叛》(*Harry Potter and the Half Blood Prince*)、《X战警：金刚狼》(*X-men Origins: Wolverine*)、《007量子危机》(*Quantum of Solace*) 以及*Twilight*。在发行这些巨片的同时，Alliance Entertainment还将发行备受期待的*24 Season 7*电视连续剧DVD，以及《邪恶力量》(*Supernatural*)、《绯闻少女》(*Gossip Girl*) 和最后一季《越狱》(*Prison Break*) 的DVD。

自2007年4月起，InnoForm Entertainment被授权作为随选卡拉OK (KOD) 的收费代理人。几年来，公司一直在加强巩固从唱片公司到卡拉

OK市场的独家复制权，音乐录像节目因此更为广泛而全面。2008年，InnoForm Entertainment很荣幸能为旗下的附属唱片公司增添两名强将，分别为Life Record Industries Pte Ltd和Suwah Enterprise (M) Sdn Bhd。而InnoForm Entertainment目前已拥有许多著名的唱片公司，包括亚神音乐娱乐、百代唱片、丰华唱片、华研国际、海蝶音乐、滚石唱片、新力美高梅音乐、环球唱片和华纳唱片，这两家公司的加入对InnoForm Entertainment而言无疑是锦上添花。

InnoForm Digital Media则继续以MusicBox品牌巩固其在新加坡随选卡拉OK (KOD) 系统中的领导地位。

公司也大幅进入市场研究和开发领域，通过网络电视 (IPTV) 为卡拉OK家庭用户带来全新的体验。这项新计划预计可在2009年见到成效。

作为一个集团，InnoForm将在当前的经济环境下，加强其作为新加坡和亚洲娱乐节目供应商的领导地位。

策略性投资

达成集团

普威集团在达成包装（Tat Seng Packaging Group Ltd）的投资已使该集团日益发展壮大。这些年来，达成集团不断改进以取得长足进展，以便在市场中稳占席位。

在过去的一年中，达成收购了一个全资子公司United Paper Industries Pte Ltd。自这项收购以来，达成已一跃成为新加坡纸包装行业中首屈一指的市场领导者。

尽管经济逐渐向下滑，集团仍稳步前进，2008年的营业额比上一年度增加了29%，为这一年划上了完美的句号。

该集团坚持不懈地提高其在新加坡的产能和品质，安装了一台新的蒸汽锅炉和货架，以提高运作效率。

达成集团的中国业务为集团的收入和利润作出了重大贡献。苏州工厂不仅营业额增加，更由大规模生产而取得经济效益以及集团不断求新求变，使其运作继续保持高效益。在合肥丹盛包装公司（Hefei Dansun Packaging Co., Ltd）对生产车间重新布置并扩大生产空间之后，合肥工厂的生产有了显著的改善。2008年3月，在合肥Dansun安装调试了一台四色柔性版印刷机，使该工厂能够提供更优质的产品，满足客户日益提高的要求。

尽管面临具有挑战性的经济环境，集团将继续采取谨慎的经营策略，专注于成本控制、提高效率和使生产合理化。集团将继续加强其业务、强化实力，以应对恶劣市场环境中的挑战。

新加坡国际贸易公司

该集团已在2008年将业务重新划分为五大领域——工业材料、建筑材料与保安产品、农业与食品、能源与环境，以及半导体。作为一个更加精益、灵活而又在成本方面具有竞争力的机构，该集团已准备就绪迎接未来的挑战。

工业材料部门的重点是一体化全球采购、贸易和营销工业材料。这些材料包括金属和矿产品、塑料和石油化工产品。该部门计划在2009年将通过开发范围更广的产品和建立长期货源来提高市场竞争力。

建筑材料与保安产品部门仍将重点放在一体化全球采购、贸易和设计，以及咨询服务。其产品和服务从普通照明、线缆装饰、沙供应、座椅系统，到学习网站，范围广泛。下一年该部门将着重开发这些领域内的长期工程项目。

在农业与食品领域，该集团将重点放在一体化全球采购、农产品加工和增值特制农产品和食品上。接下来，该部门将通过积极参与供应链的所有环节，包括采购，加工至市场营销，探讨扩大现有业务的可行性。

能源与环境重点部门则侧重于环保型综合节能照明与照明管理方案。2009年的扩展计划包括探索与集团业务有协同效益的知名业务伙伴建立合作关系。

半导体部门将在现有成绩的基础上，继续将业务集中在AMD处理器在内的半导体和电脑元件的分销、以及为保健和酒店业提供嵌入和无线设计服务。

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Corporate Governance Statement

The Company is committed to complying with the 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. For easy reference, sections of the Code under discussion are specifically identified.

1 BOARD MATTERS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

1.1 Role of the Board

The Board of Directors (the "Board") comprises 3 Executive Directors and 5 Non-Executive Directors. 3 of the 5 Non-Executive Directors are Independent Directors. The Board's primary role is to protect and enhance long-term shareholder value. To fulfill this, apart from its statutory responsibilities, the Board performs the following roles:

- provides entrepreneurial leadership and sets the overall strategy and direction for the Group;
- approve major funding proposals, investment and divestment proposals of the Company;
- reviews the performance of management by establishing management's goals and monitoring the achievement of those goals;
- reviews and endorses the framework of remuneration for the Board and key executives as may be recommended by the Remuneration Committee;
- 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.
- oversee the processes of risk management, financial reporting and compliance and evaluate the adequacy of internal controls; and
- assumes the responsibilities for corporate governance.

Corporate Governance Statement

1.2 Board Processes

The Board has established Board Committees, namely, 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.

The Board will meet on a quarterly basis and ad-hoc Board meetings will be convened when they are deemed necessary, to review the Group's operations, conduct strategic review of the business affairs 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.

1.3 Directors' meeting held in Financial Year 2008

During the year, the Board held 7 meetings during the financial year. 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	7
Mr. Foo Der Rong	7
Mr. Richard Lui Siu Tsuen *	7
Dr. John Chen Seow Phun	5
Mr. Chee Teck Kwong Patrick	7
Mr. Tao Yeoh Chi	6
Mr. Lien Kait Long	7
Mr. Chan Sek Nin Jackey	7
Mr. Teo Kee Bock	6

* Mr Richard Lui Siu Tsuen has resigned as a director with effect from 9 January 2009.

The directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Group and its businesses. As such, we believe that each individual director's contributions can be reflected in ways other than the reporting of attendances at Board meetings and/or committee Board committee meetings.

Corporate Governance Statement

1.4 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;
- authorisation of major transactions;
- approves Board changes and appointments on Board committees;
- increase in investment in businesses and subsidiaries;
- divestment in any of the Group companies; and
- commitments to term loans and lines of credit from banks and financial institutions by the Company.

1.5 Training of Directors

Our directors are provided with extensive background information about our Group's history, mission, values and business operations. Changes to regulations and accounting standards are monitored closely by management. To keep pace with such regulatory changes, the Company 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 has set up a more formal procedure for the issue of the appointment letter setting out the directors' duties and obligations. Newly appointed directors shall also be briefed on the business and organisational structure of the Group and its strategic directions.

Corporate Governance Statement

1.6 Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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

As at the date of this report, the Board comprises 8 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
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 Executive Director of Big Media Group Limited	Vice Chairman and Director of China Strategic Holdings Limited
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 Ltd and China Farm Equipment Limited	

Corporate Governance Statement

1.6 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
Dr. John Chen Seow Phun	9 June 2003 / 25 April 2007	Deputy Chairman/ Non-Executive Director Member of Audit, Nominating and Remuneration Committee	Non-Executive Chairman of Matex International Limited	Non-Executive Chairman of SNF Corporation Ltd
			Non-Executive Chairman of Fu Yu Corporation Limited	
			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, HLH Group Limited (previously known as PDC Corp Ltd)	
Mr. Chee Teck Kwong Patrick	1 August 1990 / 25 April 2007	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 (Delisted)
			Independent Director of Ramba Energy Limited, Tat Seng Packaging Group Ltd, Singapore Windsor Holdings Ltd, Hengxin Technology Ltd, Hai Leck Holdings Limited and China Infrastructure Holdings Limited	
Mr. Tao Yeoh Chi	13 November 1997 / 25 April 2008	Non-Executive/ Independent Director Chairman of Remuneration Committee and Member of Audit Committee	Independent Director of China Eratat Sports Fashion Limited	

Corporate Governance Statement

1.6 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
Mr. Lien Kait Long	1 June 2005/ 26 April 2006	Non-Executive/ Independent Director Chairman of Nominating Committee and Member of Audit Committee	Director of China Enterprises Limited Independent Director of Tat Seng Packaging Group Ltd, 8Telecom International Holdings Co. Ltd, China Jishan Holdings Limited, Memstar Technology Ltd, MRI Holdings Limited, Ocean International Holdings Limited, Falcon Energy Group Limited, Youcan Foods International Limited, CMZ Holdings Ltd and Kian Ho Bearings Ltd. Non-Executive Director of Novena Holdings Ltd	Director of Delong Holdings Limited
Mr. Chan Sek Nin Jackey	5 July 2007/ 25 April 2008	Non-Executive Director	Chief Operating Officer of Hanny Holdings Limited	
Mr. Teo Kee Bock	15 January 2008/ 25 April 2008	Executive Director	Chairman and Managing Director of Super Coffeemix Manufacturing Limited	

Please also refer to the "Board of Directors" section of the annual report for information relating to the directors.

Corporate Governance Statement

1.6 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;
- to form a strong independent element on the Board, it 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. Article 87 of the Articles of Association of the Company 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 taking into account the scope and nature of the Company's operations. 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 to enable management to benefit from a diverse perspective of issues that are brought before the Board. The Nominating Committee is of the view that the Board comprises directors capable of exercising objective judgment on the corporate affairs of the Company independently of management and that no individual or small group of individuals dominate the Board's decision-making process.

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 Nominating 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 Nominating 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 Nominating 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.

Corporate Governance Statement

1.7 Independent Members of the Board of Directors

The Board has 3 independent directors, 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 are based on the definition given in the Code, which 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 with a view of the best interest of the Company. The independence of each director is reviewed annually by the Nominating Committee.

1.8 Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company - the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

There is a distinct separation of responsibilities between the Executive Chairman and the Chief Executive Officer ("CEO"), which ensures that there is a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making at the top of the Company. These posts are held by Dr. Allan Yap and Mr. Foo Der Rong respectively.

The Chairman leads the Board and is responsible for the effective working of the Board including:

- scheduling of meetings (with the assistance of the company secretary) to enable the Board to perform its duties while not interfering with the flow of the Group's operations;
- preparing the meeting agenda (in consultation with the CEO);
- ensuring that the Board meetings are held when necessary;
- facilitating contributions from the non-executive directors and encouraging constructive relationship between the directors;
- 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.

1.9 Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

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.

Corporate Governance Statement

1.9 Board Membership (cont'd)

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 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 ⁽¹⁾ 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 reviewing nominations for the appointment and re-appointment to the Board and the various Board committees, and overseeing the induction process for directors. The NC is also tasked to assess the effectiveness and contributions of the Board and its members, to the strategic growth and development of the Company. In so doing, the NC would determine how the Board's performance may be evaluated, and propose objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each director. 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.

During the year, the NC held 1 meeting during the financial year. The number of meetings attended by each member of the NC during the financial year is as follows:

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

Note:

- (1) Under the Code, a director would be considered to be "directly associated" to a substantial shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

Corporate Governance Statement

1.10 Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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 uses an objective performance criteria to conduct Board assessments via the circulation of 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 results of the Board assessment are discussed by the NC and suggestions arising from the assessment are circulated to the Board for consideration of the appropriate measures to be taken.

The individual directors' assessments implemented by the NC are based on the director's self assessment, the parameters of which include contribution and performance based on factors such as attendance, preparedness and participation. The evaluations are discussed by the NC and any appropriate action taken.

Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes.

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.

1.11 Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

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 circulated to all directors prior to the scheduled meetings so that members may better understand the issues beforehand, allowing for more time at such meetings for questions that members may have. 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 Board meeting on budgets, forecasts and variances from the budget disclosed.

Corporate Governance Statement

1.11 Access to Information (cont'd)

All directors have separate and independent access to the advice and services of the company secretary. The company secretary attends the Board meetings and 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 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.

2 REMUNERATION MATTERS

2.1 Procedure for developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate directors and key management executives.

The Remuneration Committee ("RC") comprises solely of non-executive directors, the majority of whom, including the Chairman, is independent. The RC 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 meets at least once each year and at other times as required. During the year, the RC held 2 meetings during the financial year. The number of meeting attended by each member during the financial year is as follows:

Name of director	Appointment	Number of meetings attended
Mr. Tao Yeoh Chi (Chairman)	Non-Executive / Independent	2
Mr. Chee Teck Kwong Patrick	Non-Executive / Independent	2
Dr. John Chen Seow Phun	Non-Executive	2

The RC is responsible for recommending to the Board a framework of remuneration for the directors and senior management which is submitted to the whole Board for endorsement. The RC reviews and approves recommendations on remuneration policies and packages for directors and senior management 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' fees, salaries, allowances, bonuses, options, profit sharing (where applicable) and benefits-in-kind.

Corporate Governance Statement

2.1 Procedure for developing Remuneration Policies (cont'd)

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Company's relative performance and the performance of the individual directors / senior management.

Each member of the RC shall abstain from voting on any resolution concerning his own remuneration.

The Directors' fees to be paid for any one year are submitted for shareholders' approval at the AGM.

2.2 Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

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 directors' contracts 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.

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 remuneration of non-executive directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the directors. Non-executive directors should not be over-compensated to the extent that their independence may be compromised.

The Company has implemented the PSC Executives' Share Option Scheme 2003 ("ESOS") for the Company's executives, including its directors. The ESOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Information on the ESOS is set out in the Directors' Report. The RC is responsible for reviewing, approving and administering the ESOS.

2.3 Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Corporate Governance Statement

2.3 Disclosure on Remuneration (cont'd)

Summary compensation table of the Directors receiving remuneration from the Group for the financial year ended 31 December 2008:

Directors	Base Salary	Bonus	Profit Sharing	Director Fees	Allowance*	TOTAL
S\$250,000 and below						
Mr. Richard Lui Siu Tsuen (resigned on 9 January 2009)	65.40%	29.97%	0.00%	4.63%	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. Lien Kait Long	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Chan Sek Nin Jackey	0.00%	0.00%	0.00%	100.00%	0.00%	100%
Mr. Teo Kee Bock (appointed on 15 January 2008)	60.88%	34.89%	0.00%	0.00%	4.23%	100%
S\$750,000 to below S\$1,000,000						
Mr. Foo Der Rong	55.53%	13.76%	25.59%	2.36%	2.76%	100%
Dr. Allan Yap	52.69%	12.82%	31.36%	0.00%	3.13%	100%

* Employer's CPF contribution is included here.

Corporate Governance Statement

2.4 Remuneration of Employees Related to Directors

As at 31 December 2008, 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 2008:

Remuneration Band	Base Salary	Bonus	Profit-Sharing	Director Fees	Allowances and other benefits*	TOTAL
Range S\$500,000 and below	77.13%	12.85%	0.00%	2.73%	7.29%	100%

* Employer's CPF contribution is included here.

2.5 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 (resigned 21 Nov 2008)	80.53%	14.64%	0.00	0.00%	4.83%	100%
Tang Yick Chong	64.78%	16.20%	9.45%	4.96%	4.61%	100%
Teo Wai Leng, Lena	65.65%	16.41%	10.64%	1.82%	5.48%	100%
Foo Der Chyang Desmond	77.13%	12.85%	0.00%	2.73%	7.29%	100%
Wong Juan Meng	70.84%	17.71%	8.49%	0.00%	2.96%	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.

Corporate Governance Statement

3 ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

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

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") comprises 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 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. To achieve this, the AC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

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;
- (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;

Corporate Governance Statement

3.1 Audit Committee (cont'd)

- (h) nominate external auditors for appointment or re-appointment and approve the remuneration and terms of engagement of the external auditor;
- (i) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual issued by SGX-ST, 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 issued by SGX-ST) 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.

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 amount of non-audit fees paid to the external auditors for the financial year ended 31 December 2008 was S\$32,689. 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.

During the year, the AC held 4 meetings during the financial year. The number of meeting attended by each member during the financial year is as follows:

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	4
Dr. John Chen Seow Phun	Non-executive	4
Mr. Lien Kait Long	Non-executive / Independent	4

Corporate Governance Statement

3.2 Internal Controls

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Board 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.

Based on the discussions with the auditors and the management's responses to the auditors' recommendations for improvements to the Group's internal controls, the Board is satisfied that there are adequate internal controls to safeguard the assets and ensure the integrity of financial statements.

3.3 Whistle-Blowing Policy

The Group has adopted a constructive whistle-blowing policy and guideline in order to detect and deter any fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement, financial reports and records of the Company.

Demonstrating its pledge to good corporate governance, the Group provides an avenue for employees to bring their complaints responsibly to report any possible improprieties in matters of financial reporting or other matters that they may encounter to the AC or any other committees established by the Audit Committee for such purpose without fear of reprisal. The establishment of the whistle-blowing structure also augments the Group's ability to detect potential fraud, providing another level of comfort and assurance to investors.

3.4 Internal Audit

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

Corporate Governance Statement

3.4 Internal Audit (cont'd)

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 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

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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 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 full year results and 14 days before the announcement of the first three quarters of the Company's 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.

6 INTERESTED PERSON TRANSACTIONS

The Company is required to comply with the requisite rules under Chapter 9 of the Listing Manual issued by SGX-ST for interested person transactions. To ensure compliance with Chapter 9, the AC meets quarterly to review if the Company will be entering into an interested person transaction in order to ensure that the interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the shareholders. The interested person transactions for the financial year ended 31 December 2008 are as disclosed in the Supplementary Information of this Annual Report.

7 MATERIAL CONTRACTS

Save as disclosed in the audited financial statements of this Annual Report, there are no material contracts of the Company or its subsidiaries involving the interest of the CEO, directors or controlling shareholder subsisting at the end of the financial year ended 31 December 2008 or have been entered into since the end of the previous financial year.

8 RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as deliberate on appropriate measures to control and mitigate these risks. Management is accountable to the Board for ensuring the effectiveness of risk management and adherence to risk appetite limits.

On a day-to-day basis, business units have primary responsibility for risk management. The various business units provide the senior management with a timely assessment of key risk exposures and the associated management responses. These units also recommend risk appetite and control limits.

The significant risk management policies are as disclosed in the audited financial statements of this Annual Report.

Directors' Report

Year ended 31 December 2008

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 2008.

Directors

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

Allan Yap

Foo Der Rong

Chee Teck Kwong Patrick

Tao Yeoh Chi

John Chen Seow Phun

Lien Kait Long

Chan Sek Nin Jackey

Teo Kee Bock

(Appointed on 15 January 2008)

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore 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:

Name of director and corporation in which interests are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
Allan Yap		
PSC Corporation Ltd		
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2013	1,000,000	1,000,000
Foo Der Rong		
PSC Corporation Ltd		
- ordinary shares	876,750	876,750
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2013	800,000	800,000
Lien Kait Long		
PSC Corporation Ltd		
- ordinary shares	5,530	5,530
Richard Lui Siu Tsuen (Resigned on 9 January 2009)		
PSC Corporation Ltd		
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2013	400,000	400,000

Directors' Report

Year ended 31 December 2008

Name of director and corporation in which interests are held	Holdings at beginning of the year/ date of appointment	Holdings at end of the year
Teo Kee Bock		
PSC Corporation Ltd		
- ordinary shares	633,900	633,900
Chee Teck Kwong Patrick		
PSC Corporation Ltd		
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2008	200,000	-
Tao Yeoh Chi		
PSC Corporation Ltd		
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2008	200,000	-
John Chen Seow Phun		
PSC Corporation Ltd		
- options to subscribe for ordinary shares between 20/08/2004 and 19/08/2008	400,000	-

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 of the financial year, or date of appointment if later, 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 2009.

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.

Directors' Report

Year ended 31 December 2008

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 when the Scheme was first adopted on 8 July 2003. Pursuant to the EGM of the Company held on 28 September 2007, the maximum number of shares issued or to be issued for options under the Scheme had been changed to 15% 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.

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 of the options	Options outstanding at 01/01/2008	Options expired	Options outstanding at 31/12/2008	Number of option holders at 31/12/2008	Exercise period
20/08/2003	\$0.220	2,900,000	-	2,900,000	8	20/08/2004 – 19/08/2013
20/08/2003	\$0.325	800,000	(800,000)	-	-	20/08/2004 – 19/08/2008
		<u>3,700,000</u>	<u>(800,000)</u>	<u>2,900,000</u>		

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.

Directors' Report

Year ended 31 December 2008

Share Options (cont'd)

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 2008	Aggregate options granted since commencement of Scheme to 31 December 2008	Aggregate options exercised since commencement of Scheme to 31 December 2008	Aggregate options outstanding as at 31 December 2008
Allan Yap	-	1,000,000	-	1,000,000
Foo Der Rong	-	800,000	-	800,000
Richard Lui Siu Tsuen	-	400,000	-	400,000
Total	-	2,200,000	-	2,200,000

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.

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 Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four 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).

Directors' Report

Year ended 31 December 2008

Audit Committee (cont'd)

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 LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

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

On behalf of the Board of Directors

Allan Yap

Director

Foo Der Rong

Director

9 March 2009

Statement by Directors

Year ended 31 December 2008

In our opinion:

- (a) the financial statements set out on pages 61 to 123 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 2008 and 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

9 March 2009

Independent Auditors' Report Members of the Company PSC Corporation Ltd

We have audited the 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 2008, 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 61 to 123.

Management's responsibility for the financial statements

Management is 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:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) 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.

Independent Auditors' Report Members of the Company PSC Corporation Ltd

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 management, 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 2008 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 LLP

*Public Accountants and
Certified Public Accountants*

Singapore

9 March 2009

Balance Sheets

As at 31 December 2008

		Group		Company	
	Note	2008 \$	2007 \$	2008 \$	2007 \$
Non-current assets					
Property, plant and equipment	3	71,210,510	68,246,015	19,606,493	20,231,988
Investment properties	4	1,875,750	1,999,778	-	-
Subsidiaries	5	-	-	47,718,055	46,218,055
Associates	6	43,702,249	41,207,606	33,604,290	24,479,155
Other financial assets	7	15,464,648	13,917,899	5,193,402	2,482,660
Intangible assets	8	11,491,952	7,411,043	-	-
Deferred tax assets	9	337,033	699,409	-	-
		144,082,142	133,481,750	106,122,240	93,411,858
Current assets					
Non-financial assets	10	274,500	322,812	45,000	45,000
Inventories	11	36,696,044	31,990,350	6,523,950	4,547,726
Trade and other receivables	13	86,027,987	80,365,659	48,424,446	41,606,801
Other financial assets	7	2,799,243	-	2,799,243	-
Cash and cash equivalents	17	97,575,469	120,483,443	56,274,695	83,415,558
		223,373,243	233,162,264	114,067,334	129,615,085
Total assets		367,455,385	366,644,014	220,189,574	223,026,943
Equity attributable to equity holders of the Company					
Share capital	18	200,276,383	202,363,853	200,276,383	202,363,853
Reserves	20	55,955,331	59,431,391	480,277	2,811,932
		256,231,714	261,795,244	200,756,660	205,175,785
Minority interests		29,470,386	26,972,234	-	-
Total equity		285,702,100	288,767,478	200,756,660	205,175,785
Non-current liabilities					
Financial liabilities	21	1,234,406	1,060,891	-	-
Deferred capital grant	22	142,127	72,313	-	-
Deferred tax liabilities	9	3,856,034	4,093,884	292,435	638,532
		5,232,567	5,227,088	292,435	638,532
Current liabilities					
Deferred capital grant	22	9,894	2,912	-	-
Trade and other payables	23	54,061,034	45,957,966	19,140,479	17,212,626
Financial liabilities	21	20,974,508	24,118,763	-	-
Current tax payable		1,475,282	2,569,807	-	-
		76,520,718	72,649,448	19,140,479	17,212,626
Total liabilities		81,753,285	77,876,536	19,432,914	17,851,158
Total equity and liabilities		367,455,385	366,644,014	220,189,574	223,026,943

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

Consolidated Income Statement

Year ended 31 December 2008

	Note	2008 \$	2007 \$
Revenue	24	303,234,727	261,934,615
Cost of sales		(229,533,300)	(200,694,690)
Gross profit		73,701,427	61,239,925
Other operating income		3,470,311	9,308,311
Distribution expenses		(35,310,755)	(29,214,227)
Administrative expenses		(31,908,082)	(27,924,369)
Other operating expenses		(1,919,631)	(2,853,643)
Results from operating activities		8,033,270	10,555,997
Net finance expense	25	(3,120,800)	(518,624)
Share of profit of associates, net of tax		1,815,178	2,246,967
Profit before income tax		6,727,648	12,284,340
Income tax expense	26	(1,357,482)	(1,360,590)
Profit for the year	27	5,370,166	10,923,750
Attributable to:			
Equity holders of the Company		3,465,816	7,580,845
Minority interests		1,904,350	3,342,905
Profit for the year		5,370,166	10,923,750
Earnings per share			
Basic earnings per share (cents)	28	0.62	1.74
Diluted earnings per share (cents)	28	0.62	1.73

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2008

Group	Note	Share capital \$	Other capital reserves \$
At 1 January 2007		140,792,609	2,625,241
Issuance of shares		61,571,244	-
Translation differences relating to financial statements of:			
- subsidiaries		-	-
- associates		-	-
Share of an associate's reserves		-	52,022
Change in fair value of available-for-sale quoted equity securities		-	-
Net change in fair value of available-for-sale financial assets transferred to the income statement		-	-
Net gains recognised directly in equity		-	52,022
Net profit for the year		-	-
Total recognised income and expense for the year		-	52,022
Transfer from accumulated profits to other capital reserves		-	232,446
Dilution of interest in a subsidiary		-	-
Dividend paid	29	-	-
At 31 December 2007		202,363,853	2,909,709

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

Fair value reserve \$	Currency translation reserve \$	Accumulated profits \$	Total attributable to equity holders of the Company \$	Minority interests \$	Total equity \$
(1,628,340)	(3,528,606)	56,197,939	194,458,843	23,268,025	217,726,868
-	-	-	61,571,244	-	61,571,244
-	37,371	-	37,371	332,049	369,420
-	100,002	-	100,002	-	100,002
-	-	-	52,022	-	52,022
(390,963)	-	-	(390,963)	673	(390,290)
1,449,328	-	-	1,449,328	-	1,449,328
1,058,365	137,373	-	1,247,760	332,722	1,580,482
-	-	7,580,845	7,580,845	3,342,905	10,923,750
1,058,365	137,373	7,580,845	8,828,605	3,675,627	12,504,232
-	-	(232,446)	-	-	-
-	-	-	-	1,112,538	1,112,538
-	-	(3,063,448)	(3,063,448)	(1,083,956)	(4,147,404)
(569,975)	(3,391,233)	60,482,890	261,795,244	26,972,234	288,767,478

Consolidated Statement of Changes in Equity

Year ended 31 December 2008

Group	Note	Issued capital \$	Treasury shares \$	Share capital \$	Other capital reserves \$
At 1 January 2008		202,363,853	-	202,363,853	2,909,709
Purchase of treasury shares		-	(2,087,470)	(2,087,470)	-
Translation differences relating to financial statements of:					
- subsidiaries		-	-	-	-
- associates		-	-	-	-
Share of an associate's reserves		-	-	-	6,500
Change in fair value of quoted equity securities available-for-sale		-	-	-	-
Net change in fair value of available-for-sale financial assets transferred to the income statement		-	-	-	-
Net gains/(losses) recognised directly in equity		-	-	-	6,500
Net profit for the year		-	-	-	-
Total recognised income and expense for the year		-	-	-	6,500
Issue of shares by a subsidiary		-	-	-	-
Transfer from accumulated profits to other capital reserves		-	-	-	225,192
Dividend paid	29	-	-	-	-
At 31 December 2008		202,363,853	(2,087,470)	200,276,383	3,141,401

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

Fair value reserve \$	Currency translation reserve \$	Accumulated profits \$	Total attributable to equity holders of the Company \$	Minority interests \$	Total equity \$
(569,975)	(3,391,233)	60,482,890	261,795,244	26,972,234	288,767,478
-	-	-	(2,087,470)	-	(2,087,470)
-	394,414	-	394,414	73,693	468,107
-	(4,087,454)	-	(4,087,454)	-	(4,087,454)
-	-	-	6,500	-	6,500
(3,913,677)	-	-	(3,913,677)	(237,219)	(4,150,896)
3,463,978	-	-	3,463,978	305,704	3,769,682
(449,699)	(3,693,040)	-	(4,136,239)	142,178	(3,994,061)
-	-	3,465,816	3,465,816	1,904,350	5,370,166
(449,699)	(3,693,040)	3,465,816	(670,423)	2,046,528	1,376,105
-	-	-	-	490,000	490,000
-	-	(225,192)	-	-	-
-	-	(2,805,637)	(2,805,637)	(38,376)	(2,844,013)
(1,019,674)	(7,084,273)	60,917,877	256,231,714	29,470,386	285,702,100

Consolidated Cash Flow Statement

Year ended 31 December 2008

	Note	2008 \$	2007 \$
Operating activities			
Profit for the year		5,370,166	10,923,750
Adjustments for:			
Bad debts written off		328,734	121,720
Depreciation of property, plant and equipment	3	6,908,873	6,788,166
Depreciation of investment properties	4	28,039	26,528
Amortisation of intangible assets	8	7,651,117	3,639,040
Net loss on disposal of interest in associates		320,826	180,214
Impairment loss on non-financial assets		48,312	45,311
Impairment loss on investment in an associate		-	85,691
Provision for contingencies in an associate		-	1,185,958
Income tax expense		1,357,482	1,360,590
Inventories written off		257,293	227,786
Deferred expenditure written off		96,956	164,326
Gain on disposal of property, plant and equipment		(19,455)	(3,618,523)
Gain on dilution of interest in a subsidiary		-	(1,469,655)
Net finance expense	25	3,120,800	518,624
Intangible assets written off		46,284	-
Negative goodwill arising from acquisition of an associate		(203,855)	-
Bad debts recovered		(96,606)	(7,265)
Property, plant and equipment impaired and written off		77,279	844,519
Share of profit of associates		(1,815,178)	(2,246,967)
		23,477,067	18,769,813
Changes in working capital:			
Inventories		(1,529,231)	(2,687,236)
Trade and other receivables		(2,827,342)	(15,834,522)
Trade and other payables		2,992,318	3,164,861
Cash generated from operations		22,112,812	3,412,916
Income taxes paid		(3,738,916)	(2,844,708)
Cash flows from operating activities		18,373,896	568,208
Investing activities			
Dividends received		4,400,523	9,794,328
Acquisition of subsidiaries, net of cash acquired	31	(6,641,248)	(701)
Interest received		1,464,335	1,047,882
Investment in associate		(4,739,111)	-
Deferred proceeds from disposal of a subsidiary		4,905,000	975,525
Proceeds from sale of:			
- associate		519,106	229,029
- property, plant and equipment		1,359,723	12,436,719
- quoted equity securities		13,200	-
Purchase of property, plant and equipment		(4,879,759)	(8,916,959)
Purchase of intangible assets		(8,563,570)	(4,895,208)
Loan to an associate		(6,466,932)	-
Purchase of securities		(11,489,293)	-
Cash flows from investing activities		(30,118,026)	10,670,615

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

Consolidated Cash Flow Statement

Year ended 31 December 2008

	Note	2008 \$	2007 \$
Financing activities			
Withdrawal/(addition) of pledged deposits		2,590,803	(945,887)
Dividends paid		(2,844,013)	(4,147,404)
Interest paid		(1,012,525)	(767,555)
Payment of finance lease liabilities		(311,904)	(120,702)
Proceeds from borrowings		38,273,300	7,932,012
Proceeds from issue of shares, net of issue expense		-	61,571,244
Repayment of borrowings		(45,497,136)	(4,494,100)
Trust receipts		2,234,770	105,882
Repayment of trust receipts		(103,217)	-
Purchase of treasury shares		(2,087,470)	-
Cash flows from financing activities		(8,757,392)	59,133,490
Net (decrease)/increase in cash and cash equivalents			
		(20,501,522)	70,372,313
Cash and cash equivalents at beginning of year		114,518,058	44,126,049
Effect of exchange rate fluctuations		154,634	19,696
Cash and cash equivalents at end of year	17	94,171,170	114,518,058

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

Notes to the Financial Statements

Year ended 31 December 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 9 March 2009.

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 5 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 financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements in conformity with FRS 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 estimates are revised and in any future periods affected.

Notes to the Financial Statements

Year ended 31 December 2008

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 is included in the following notes:

- Note 2.9 – classification of leases
- Note 3 and 8 – assumptions of recoverable amounts relating to property, plant and equipment and goodwill impairment
- Note 7, 13, 15 and 16 – impairment loss on other financial assets, trade receivables, amounts due from subsidiaries and associates
- Note 31 – valuation of assets, liabilities and contingent liabilities acquired in business combinations
- Note 32 – valuation of financial instruments
- Note 34 – measurement of contingent liabilities

There were no changes in accounting policies during the year.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

New accounting standards and interpretations not yet adopted

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

- FRS 1 (revised 2008) Presentation of Financial Statements
- FRS 23 (revised 2007) Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment – Vesting Conditions and Cancellations
- FRS 108 Operating Segments
- Improvements to FRSs 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation

Notes to the Financial Statements

Year ended 31 December 2008

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 31 December 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

FRS 23 (revised 2007) will become effective for financial statements for the year ending 31 December 2009. FRS 23 (revised 2007) removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group's current policy to capitalise borrowing costs is consistent with the requirement in the revised FRS 23.

The amendments to FRS 32 and FRS 1 on puttable financial instruments will become effective for the Group's financial statements for the year ending 31 December 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if and only if they meet certain conditions. The Group does not issue such puttable financial instruments and thus the application of these amendments is not expected to have any significant impact on the Group's financial statements.

The amendments to FRS 39 on eligible hedged items will become effective for the Group's financial statements for the year ending 31 December 2010. The amendments clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in two particular situations: (i) the designation of a one-sided risk in a hedged item; and (ii) the designation of inflation in particular situations. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

The amendments to FRS 101 and FRS 27 on the cost of an investment in a subsidiary, jointly controlled entity or associate will become effective for the Group's financial statements for the year ending 31 December 2009. The amendments remove the definition of "cost method" currently set out in FRS 27, and instead require an entity to recognise all dividend from a subsidiary, jointly controlled entity or associate as income in its separate financial statements when its right to receive the dividend is established. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

The amendments to FRS 102 on vesting conditions and cancellations will become effective for the Group's financial statements for the year ending 31 December 2009. The amendments clarify the definition of vesting conditions and provide the accounting treatment for non-vesting conditions and cancellations. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

FRS 108 will become effective for financial statements for the year ending 31 December 2009. FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see note 30). Under FRS 108, the Group will present segment information in respect of its operating segments.

Notes to the Financial Statements

Year ended 31 December 2008

Improvements to FRSs 2008 will become effective for the Group's financial statements for the year ending 31 December 2009, except for the amendment to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* which will become effective for the year ending 31 December 2010. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Group is in the process of assessing the impact of these amendments.

INT FRS 113 will become effective for the Group's financial statements for the year ending 31 December 2009. INT FRS 113 concludes that where entities grant award credits as incentives to customers to buy their goods or services (e.g. loyalty points or free products), such customer loyalty programmes should be accounted for by taking a multiple sales approach, i.e. by deferring some of the revenue received from the initial sales transaction, to be recognised as revenue as and when the entity provides the goods or services promised under the customer loyalty programmes. The Group is in the process of assessing the impact of this Interpretation.

INT FRS 116 will become effective for the Group's financial statements for the year ending 31 December 2009. INT FRS 116 provides guidance on identifying foreign currency risks and hedging instruments that qualify for hedge accounting in the hedge of a net investment in a foreign operation. It also explains how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The application of this Interpretation is not expected to have any significant impact on the Group's financial statements.

Other than FRS 1 (revised 2008) and improvements to FRSs 2008, the initial application of these standards (including their consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

Notes to the Financial Statements

Year ended 31 December 2008

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. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associates

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income, expenses and equity movements 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 transactions, 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 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.

Notes to the Financial Statements

Year ended 31 December 2008

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.

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. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

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 foreign exchange 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 Group's net investment in a foreign operation are recognised in the Group's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to the income statement.

Notes to the Financial Statements

Year ended 31 December 2008

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.

The estimated useful lives are as follows:

Leasehold buildings	Remaining lease periods of 18 to 49 years
Leasehold improvements	Remaining lease periods of 18 to 49 years
Renovations	3 to 10 years
Freehold buildings	50 years
Furniture, fittings and office equipment	3 to 13½ 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.

Notes to the Financial Statements

Year ended 31 December 2008

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.

ii) Development costs

- a) 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.
- b) Film rights acquired are stated at cost less accumulated amortisation and impairment losses. The costs of film rights are amortised at a rate of 70% in the first year, 20% to 30% in the second year and 0% to 10% in the third year. Amortisation commences when the films 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.

Notes to the Financial Statements

Year ended 31 December 2008

2.6 Investment properties

Investment property is property held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment property is stated at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. Depreciation on freehold building is recognised in the income statement on a straight-line basis over 50 years.

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. 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, i.e., 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.

Held-to-maturity investments

If the Group has the positive intent and ability to hold debt securities to maturity, they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein and other than for impairment losses, 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.

Notes to the Financial Statements

Year ended 31 December 2008

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. 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.

Impairment losses in respect of financial assets measured at amortised cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses once recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in fair value of such assets 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 2008

2.8 Non-financial assets

Transferable country club memberships are stated at cost less impairment losses.

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.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in investment properties and property, plant and equipment, and are accounted for as described in notes 2.4 and 2.6. Rental income is recognised on a straight-line basis over the lease term.

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, the 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 estimated 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 2008

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 part of trade and other payables 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.

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.

Notes to the Financial Statements

Year ended 31 December 2008

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, and the amount of revenue can be measured reliably.

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 held-to-maturity debt securities, 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.

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.

Notes to the Financial Statements

Year ended 31 December 2008

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 it is probable that they 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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 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.

2.17 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the income statement over the useful life of the relevant asset by equal annual instalments.

2.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to the Financial Statements

Year ended 31 December 2008

3 Property, plant and equipment

	Leasehold buildings	Freehold land	Freehold buildings	Leasehold improvements	Renovations
Group	\$	\$	\$	\$	\$
Cost					
At 1 January 2007	35,994,289	2,708,437	4,355,034	9,685,194	5,632,413
Additions	293,729	-	-	-	1,794,223
Disposals	(8,501,100)	-	-	-	-
Reclassification	1,762,827	493,045	(493,045)	-	-
Write-offs	-	-	-	-	-
Translation differences on consolidation	115,217	12,722	4,493	-	3,359
At 31 December 2007	29,664,962	3,214,204	3,866,482	9,685,194	7,429,995
Additions	39,595	-	-	28,826	861,545
Disposals	-	-	-	-	-
Reclassification	1,987,785	-	-	-	-
Write-offs	-	-	-	-	(154,690)
Assets acquired in business combination	-	-	-	-	21,185
Translation differences on consolidation	1,272,952	(169,579)	(59,889)	-	(15,675)
At 31 December 2008	32,965,294	3,044,625	3,806,593	9,714,020	8,142,360
Accumulated depreciation and impairment losses					
At 1 January 2007	5,213,209	562,887	2,870,184	1,636,342	1,413,880
Depreciation charge for the year	992,271	-	21,502	264,690	713,567
Disposals	(318,771)	-	-	-	-
Write-offs	-	-	-	-	-
Impairment loss	-	-	-	-	-
Translation differences on consolidation	4,296	2,049	753	-	2,943
At 31 December 2007	5,891,005	564,936	2,892,439	1,901,032	2,130,390
Depreciation charge for the year	1,145,912	-	20,834	265,171	805,702
Reclassification	-	-	-	-	-
Disposals	-	-	-	-	-
Write-offs	-	-	-	-	(115,858)
Translation differences on consolidation	121,224	(27,305)	(13,307)	-	(9,398)
At 31 December 2008	7,158,141	537,631	2,899,966	2,166,203	2,810,836
Carrying amount					
At 1 January 2007	30,781,080	2,145,550	1,484,850	8,048,852	4,218,533
At 31 December 2007	23,773,957	2,649,268	974,043	7,784,162	5,299,605
At 31 December 2008	25,807,153	2,506,994	906,627	7,547,817	5,331,524

Furniture, fittings and office equipment	Warehouse equipment	Motor vehicles	Plant and machinery	Computers	Total
\$	\$	\$	\$	\$	\$
4,270,797	1,892,947	7,557,766	50,851,129	2,375,444	125,323,450
497,306	92,707	1,042,254	4,950,952	434,050	9,105,221
(456,027)	(33,434)	(1,578,309)	(554,075)	(856)	(11,123,801)
-	-	-	(1,762,827)	-	-
(63,658)	-	-	(208,894)	(339,547)	(612,099)
7,632	(3,665)	3,748	126,075	(252)	269,329
4,256,050	1,948,555	7,025,459	53,402,360	2,468,839	122,962,100
656,888	48,225	1,847,124	2,552,611	177,917	6,212,731
(66,416)	(1,100)	(1,666,588)	(1,075,533)	(15,516)	(2,825,153)
1,504,299	(945,576)	-	(1,840,725)	(705,783)	-
(206,428)	(1,570)	-	(93,419)	(30,794)	(486,901)
606,130	-	16,553	2,691,000	-	3,334,868
(51,965)	1,581	(36,506)	1,423,694	(21,133)	2,343,480
6,698,558	1,050,115	7,186,042	57,059,988	1,873,530	131,541,125
2,612,442	1,290,128	3,382,016	29,426,381	1,570,891	49,978,360
422,291	79,065	856,358	3,148,748	289,674	6,788,166
(387,980)	(7,533)	(1,054,955)	(536,033)	(333)	(2,305,605)
(56,268)	-	-	(202,450)	(261,782)	(520,500)
-	-	-	748,547	-	748,547
3,677	722	(3,139)	15,834	(18)	27,117
2,594,162	1,362,382	3,180,280	32,601,027	1,598,432	54,716,085
571,213	66,936	855,334	2,931,327	246,444	6,908,873
1,208,748	(770,064)	-	89,491	(528,175)	-
(37,149)	(504)	(1,193,467)	(250,326)	(3,439)	(1,484,885)
(175,005)	(1,570)	-	(87,267)	(29,922)	(409,622)
(36,881)	687	(14,499)	598,455	(18,812)	600,164
4,125,088	657,867	2,827,648	35,882,707	1,264,528	60,330,615
1,658,355	602,819	4,175,750	21,424,748	804,553	75,345,090
1,661,888	586,173	3,845,179	20,801,333	870,407	68,246,015
2,573,470	392,248	4,358,394	21,177,281	609,002	71,210,510

Notes to the Financial Statements

Year ended 31 December 2008

Company	Leasehold building \$	Leasehold improvements \$	Renovations \$	Furniture, fittings and office equipment \$
Cost				
At 1 January 2007	8,517,028	9,685,194	4,538,334	1,061,181
Additions	-	-	1,724,224	19,756
Disposals	-	-	-	(2,224)
Write-offs	-	-	-	(1,038)
At 31 December 2007	8,517,028	9,685,194	6,262,558	1,077,675
Additions	-	28,826	476,011	2,348
Disposals	-	-	-	(4,639)
Write-offs	-	-	-	(437)
At 31 December 2008	8,517,028	9,714,020	6,738,569	1,074,947
Accumulated depreciation				
At 1 January 2007	3,803,883	1,636,342	667,968	338,185
Depreciation charge for the year	224,435	264,690	560,497	109,303
Disposals	-	-	-	(1,977)
Write-offs	-	-	-	(562)
At 31 December 2007	4,028,318	1,901,032	1,228,465	444,949
Depreciation charge for the year	224,435	265,171	673,911	95,002
Disposals	-	-	-	(2,418)
Write-offs	-	-	-	(255)
At 31 December 2008	4,252,753	2,166,203	1,902,376	537,278
Carrying amount				
At 1 January 2007	4,713,145	8,048,852	3,870,366	722,996
At 31 December 2007	4,488,710	7,784,162	5,034,093	632,726
At 31 December 2008	4,264,275	7,547,817	4,836,193	537,669

Warehouse equipment \$	Motor vehicles \$	Plant and machinery \$	Computers \$	Total \$
403,546	2,361,095	616,201	866,772	28,049,351
44,060	436,392	-	339,435	2,563,867
(33,434)	(667,730)	(205,122)	(856)	(909,366)
-	-	(47,500)	(139,358)	(187,896)
414,172	2,129,757	363,579	1,065,993	29,515,956
18,700	729,018	-	132,032	1,386,935
(1,100)	(608,320)	(7,500)	(9,000)	(630,559)
-	-	-	(11,375)	(11,812)
431,772	2,250,455	356,079	1,177,650	30,260,520
115,496	982,873	363,341	414,321	8,322,409
43,028	225,392	34,466	175,848	1,637,659
(7,533)	(351,358)	(205,120)	(333)	(566,321)
-	-	(47,499)	(61,718)	(109,779)
150,991	856,907	145,188	528,118	9,283,968
37,146	217,897	34,466	164,710	1,712,738
(504)	(321,495)	(7,500)	-	(331,917)
-	-	-	(10,507)	(10,762)
187,633	753,309	172,154	682,321	10,654,027
288,050	1,378,222	252,860	452,451	19,726,942
263,181	1,272,850	218,391	537,875	20,231,988
244,139	1,497,146	183,925	495,329	19,606,493

Notes to the Financial Statements

Year ended 31 December 2008

Included in the carrying amount of property, plant and equipment of the Group are assets with carrying amount of \$1,208,044 (2007: \$458,834), which are acquired under finance lease.

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$6,212,731 (2007: \$9,105,221), of which \$986,100 (2007: \$104,451) was acquired under finance leases. Cash payments of \$4,879,759 (2007: \$8,916,959) were made to purchase the property, plant and equipment.

The following property, plant and equipment are pledged as security for secured bank loans and credit facilities:

	Group	
	2008	2007
	\$	\$
Freehold building	-	974,043
Leasehold buildings	18,514,112	16,317,616
Plant and machinery	11,717,802	12,146,136

4 Investment properties

Group	Freehold land	Freehold building	Total
	\$	\$	\$
Cost			
At 1 January 2007	585,667	1,361,474	1,947,141
Addition	-	71,917	71,917
Translation difference	2,131	4,955	7,086
At 31 December 2007	587,798	1,438,346	2,026,144
Translation difference	(28,410)	(69,519)	(97,929)
At 31 December 2008	559,388	1,368,827	1,928,215
Accumulated depreciation			
At 1 January 2007	-	-	-
Depreciation charge for the year	-	26,528	26,528
Translation difference	-	(162)	(162)
At 31 December 2007	-	26,366	26,366
Depreciation charge for the year	-	28,039	28,039
Translation difference	-	(1,940)	(1,940)
At 31 December 2008	-	52,465	52,465

Notes to the Financial Statements

Year ended 31 December 2008

Group	Freehold land \$	Freehold building \$	Total \$
Carrying amount			
At 1 January 2007	585,667	1,361,474	1,947,141
At 31 December 2007	587,798	1,411,980	1,999,778
At 31 December 2008	559,388	1,316,362	1,875,750

Investment properties include a number of resort apartments that are leased to the developer for a guaranteed rental period of 3 years with an option to renew for an additional 3 years and property held for development.

The carrying amount of investment properties of the Group relating to apartments under operating leases at 31 December 2008 is \$1,316,362 (2007: \$1,411,980). Their fair values which are based on market value, being the latest transacted price for which a property was exchanged between a willing buyer and a willing seller in an arm's length transaction are \$2,062,744 (2007: \$1,411,980).

The carrying amount of investment properties relating to freehold vacant land at 31 December 2008 is \$559,388 (2007: \$587,798). Fair values of these investment properties cannot be determined reliably in the absence of current prices in an active market.

Notes to the Financial Statements

Year ended 31 December 2008

5 Subsidiaries

	Company	
	2008 \$	2007 \$
Equity investments at cost	47,718,055	47,818,055
Impairment losses	(1,500,000)	(1,600,000)
	46,218,055	46,218,055
Loan to a subsidiary	1,500,000	-
	47,718,055	46,218,055

The loan to a subsidiary is unsecured, bears interest at 4% per annum and is repayable in 2010.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2008 %	2007 %
@ 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
^ 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

Notes to the Financial Statements

Year ended 31 December 2008

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2008 %	2007 %
@ 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, yoghurt, noodles, and dry groceries products	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
# Hefei Dansun Packaging Co., Ltd.	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	People's Republic of China	51.2	51.2
∞ United Packaging Industries Pte. Ltd.	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	Singapore	64	-
@ 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
@ Health Solutions Holdings Pte. Ltd. and its subsidiaries:	Investment holding	Singapore	89.7	89.7

Notes to the Financial Statements

Year ended 31 December 2008

	Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
				2008 %	2007 %
Ω	Health Solutions (Malaysia) Sdn. Bhd. and its subsidiaries:	Construction of hospital turnkey projects and provision of healthcare consultancy and hospital management services	Malaysia	89.7	89.7
Ω	Health Solutions Services Sdn. Bhd.	Construction of hospital turnkey projects and provision of healthcare consultancy and hospital management services	Malaysia	89.6	89.6
*	Health Solutions Medical Services (Vietnam) Co., Ltd.	Provision of healthcare consultancy and healthcare and medical services	Vietnam	89.7	89.7
∇	PT Health Solutions Indonesia	Provision of healthcare consultancy services	Indonesia	89.7	89.7
@	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 entertainment programs (such as theatrical films, television programs, children edutainment and lifestyle programs)	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

Notes to the Financial Statements

Year ended 31 December 2008

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Group	
			2008 %	2007 %
^ InnoForm Media (M) Sdn. Bhd.	Production and distribution of tapes and compact discs	Malaysia	51	51
@ InnoForm Entertainment Pte. Ltd.	Exclusive collective licensing agent for music label companies for karaoke music and songs	Singapore	51	51
@ InnoForm Digital Media Pte. Ltd.	Supplying and leasing of karaoke-on-demand hardware and software	Singapore	26	-
@ Alliance Entertainment Singapore Pte. Ltd.	Motion picture, video distribution and services allied to motion picture, video production and distribution	Singapore	51	-
@ I-Econ Management Services Pte. Ltd.	Franchise ownership	Singapore	100	100

@ Audited by KPMG LLP, Singapore.

^ Audited by other member firms of KPMG International.

γ Audited by Goh Joon Hai & Co., Malaysia.

∞ Audited by Ernst & Young LLP, Singapore.

Audited by Ernst & Young, People's Republic of China.

Ω Audited by Moore Stephens AC, Malaysia.

* Audited by Grant Thornton, Vietnam.

∇ Audited by Grant Thornton, Indonesia.

β Audited by Keith Lam & Co., Hong Kong.

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

Notes to the Financial Statements

Year ended 31 December 2008

6 Associates

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Investment in associates	37,321,008	41,293,297	31,902,641	27,163,530
Impairment losses	(85,691)	(85,691)	(4,765,283)	(2,684,375)
	37,235,317	41,207,606	27,137,358	24,479,155
Loan to an associate	6,466,932	-	6,466,932	-
	43,702,249	41,207,606	33,604,290	24,479,155

Investment in associates at 31 December 2008 include goodwill of \$897,006 (2007: \$1,045,953).

At each balance sheet date, the Group and the Company review the recoverable amount of the investment in associates to determine whether there is any indication of impairment. The recoverable amounts have been determined on the basis of the net assets value of these associates at the balance sheet date as in the opinion of the Directors of the Company, the net assets value reasonably approximate the fair values. As at 31 December 2008, the Group and the Company recorded impairment losses of \$85,691 (2007: \$85,691) and \$4,765,283 (2007: \$2,684,375) on the investment in associates respectively.

The loan to an associate comprises a foreign currency loan amounting to \$6,466,932 (2007: \$Nil) which forms part of the Company's net investment in the associate. The loan is unsecured and interest-free, and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Company's net investment in the entity, it is stated at cost.

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
			2008	2007	2008	2007
			%	%	%	%
& Health Solutions (Australia) Pty Ltd) Provision of health) care consultancy and) hospital management) services	Australia	43.9	43.9	-	-
~ Health Solutions (WA) Pty Ltd))	Australia	42.0	42.0	-	-
Ω Health Solutions (S.E. Asia) Sdn. Bhd.	Construction of hospital turnkey projects and provision of health care consultancy and hospital management services	Malaysia	26.9	26.9	-	-

Notes to the Financial Statements

Year ended 31 December 2008

Name of associate	Principal activities	Country of incorporation	-- Effective equity held by --			
			the Group 2008 %	2007 %	the Company 2008 %	2007 %
α HSI Philippines Inc.	Advisory and management services to hospitals, healthcare facilities and medical establishments	Philippines	35.9	35.9	-	-
√ Harbin Puwei Real Estate Development Co Ltd	Development of property	People's Republic of China	40	40	-	-
+ Longkou Luzhibei Preserved Fruit Company Limited	Manufacture and distribution of preserved fruits	People's Republic of China	40	40	-	-
** 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
Δ 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
β Prime King Holdings Limited	Investment holding	British Virgin Islands	27.9	-	27.9	-

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

~ Audited by Ernst & Young, Australia.

Ω Audited by Moore Stephens AC, Malaysia.

α Audited by Jaime B. Santos, Philippines.

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

+ Audited by Yantai Yiji Accounting firm, People's Republic of China.

** Audited by KPMG LLP, Singapore.

Δ Audited by Zhong Xin Cai Certified Public Accountants, People's Republic of China.

β Audited by Hopkins CPA Limited, Hong Kong.

Notes to the Financial Statements

Year ended 31 December 2008

The summarised financial information of the associates is as follows:

	Associates	
	2008	2007
	\$	\$
Assets and liabilities		
Total assets	250,623,256	241,475,296
Total liabilities	130,235,841	98,737,104
Results		
Revenue	378,545,908	482,494,260
Profit after taxation	1,136,182	8,516,385

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 \$2,094,280 (2007: \$1,932,217), of which \$162,063 (2007: \$205,814) is its share of the current year's losses. The Group has no obligation in respect of these losses.

7 Other financial assets

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Non-current investments				
Held-to-maturity debt securities	2,881,122	-	2,881,122	-
Available-for-sale equity securities	12,583,526	13,917,899	2,312,280	2,482,660
	15,464,648	13,917,899	5,193,402	2,482,660
Current investments				
Held-to-maturity debt securities	2,799,243	-	2,799,243	-

Held-to-maturity debt securities have stated interest rates of 2% to 4% (2007: Nil) and mature within the next twelve months to three years.

The maximum exposure to credit risk of the debt securities at the reporting date is the carrying amount. All debt securities are denominated in Hong Kong dollars.

As at 31 December 2008, certain of the Group's and the Company's available-for-sale equity securities were individually determined to be impaired on the basis of a prolonged decline in the fair value below cost. Impairment losses on these investments were recognised in the income statement in accordance with the accounting policy set out in note 2.7.

Notes to the Financial Statements

Year ended 31 December 2008

8 Intangible assets

Group	Goodwill on consolidation \$	Trademarks \$	Development costs \$	Royalties \$	Licences \$	Total \$
Cost						
At 1 January 2007	1,707,237	363,050	1,606,440	1,219,529	6,286,753	11,183,009
Arising from business combination	8,728	-	-	-	-	8,728
Additions	-	-	374,896	15,745	4,504,567	4,895,208
Reclassification	-	-	(27,461)	(129,803)	157,264	-
Translation differences	-	-	(14,437)	(608)	(91,358)	(106,403)
At 31 December 2007	1,715,965	363,050	1,939,438	1,104,863	10,857,226	15,980,542
Arising from business combination	931,946	-	214,356	-	830,185	1,976,487
Additions	-	-	932,898	113,415	8,764,098	9,810,411
Reclassification	-	-	5,528	384,540	(390,068)	-
Write-off	(8,869)	-	(37,415)	-	-	(46,284)
Disposal	-	-	-	-	(1,861,000)	(1,861,000)
Translation differences	(229)	-	(2,156)	18	(28,988)	(31,355)
At 31 December 2008	2,638,813	363,050	3,052,649	1,602,836	18,171,453	25,828,801
Accumulated amortisation						
At 1 January 2007	-	363,050	682,220	999,593	2,976,346	5,021,209
Amortisation charge for the year	-	-	500,681	88,601	3,049,758	3,639,040
Reclassification	-	-	(27,461)	(50,015)	77,476	-
Translation differences	-	-	(8,058)	(608)	(82,084)	(90,750)
At 31 December 2007	-	363,050	1,147,382	1,037,571	6,021,496	8,569,499
Amortisation charge for the year	-	-	337,638	47,212	7,266,267	7,651,117
Reclassification	-	-	5,528	180,738	(186,266)	-
Disposal	-	-	-	-	(1,861,000)	(1,861,000)
Translation differences	-	-	(1,345)	18	(21,440)	(22,767)
At 31 December 2008	-	363,050	1,489,203	1,265,539	11,219,057	14,336,849
Carrying amount						
At 1 January 2007	1,707,237	-	924,220	219,936	3,310,407	6,161,800
At 31 December 2007	1,715,965	-	792,056	67,292	4,835,730	7,411,043
At 31 December 2008	2,638,813	-	1,563,446	337,297	6,952,396	11,491,952

Notes to the Financial Statements

Year ended 31 December 2008

Amortisation of intangible assets for the financial year is included in the following line items of the income statements:

	Group	
	2008	2007
	\$	\$
Distribution expenses	5,627,809	2,243,290
Cost of sales	2,023,308	1,395,750
	<u>7,651,117</u>	<u>3,639,040</u>

Impairment testing 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
	%	%	%
2008			
Media	48	2	8
Packaging	11	3	6 to 10
2007			
Media	57	8	8
Packaging	14	3	7

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 2008

9 Deferred tax

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

Group	At 1 January 2007 \$	Recognised in income statement (Note 26) \$	Exchange translation differences \$	At 31 December 2007 \$	Recognised in income statement (Note 26) \$	Acquisition of a subsidiary \$	Exchange translation differences \$	At 31 December 2008 \$
Deferred tax assets								
Property, plant and equipment	87,225	33,055	(132)	120,148	115,370	-	(78)	235,440
Other financial assets	66,554	(40,849)	185	25,890	(1,412)	-	1,324	25,802
Tax value of loss carry forward	868,597	(174,828)	(72)	693,697	320,609	-	(214)	1,014,092
Other items	70,921	6,112	37	77,070	318,650	20,365	3,881	419,966
Total	1,093,297	(176,510)	18	916,805	753,217	20,365	4,913	1,695,300

Deferred tax liabilities

Property, plant and equipment	(5,074,091)	1,352,989	39,825	(3,681,277)	38,982	(146,783)	(81,738)	(3,870,816)
Intangible assets	(779,923)	(188,473)	1,461	(966,935)	(319,339)	-	1,376	(1,284,898)
Other financial assets	(148,405)	485,337	-	336,932	(398,540)	-	3,021	(58,587)
Total	(6,002,419)	1,649,853	41,286	(4,311,280)	(678,897)	(146,783)	(77,341)	(5,214,301)

Company	At 1 January 2007 \$	Recognised in income statement \$	At 31 December 2007 \$	Recognised in income statement \$	At 31 December 2008 \$
Deferred tax assets					
Tax value of loss carry forward	-	-	-	647,245	647,245
Other items	46,502	120,844	167,346	(120,277)	47,069
Total	46,502	120,844	167,346	526,968	694,314
Deferred tax liabilities					
Property, plant and equipment	(271,715)	(342,529)	(614,244)	(336,085)	(950,329)
Other financial assets	(149,921)	(41,713)	(191,634)	155,214	(36,420)
Total	(421,636)	(384,242)	(805,878)	(180,871)	(986,749)

Notes to the Financial Statements

Year ended 31 December 2008

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	
	2008	2007	2008	2007
	\$	\$	\$	\$
Deferred tax liabilities	3,856,034	4,093,884	292,435	638,532
Deferred tax assets	337,033	699,409	-	-

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

	Group	
	2008	2007
	\$	\$
Tax losses	5,487,781	4,951,009
Deductible temporary differences	1,159,998	1,248,862
	6,647,779	6,199,871

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.

10 Non-financial assets

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Transferable country club memberships	274,500	322,812	45,000	45,000

11 Inventories

	Note	Group		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Raw materials		11,882,047	11,562,808	-	-
Work-in-progress		524,600	283,780	-	-
Finished goods		23,823,944	19,348,200	6,523,950	4,547,726
Packing materials		457,660	340,428	-	-
		36,688,251	31,535,216	6,523,950	4,547,726
Contract work-in-progress	12	7,793	455,134	-	-
		36,696,044	31,990,350	6,523,950	4,547,726

The allowance for write-down of finished goods amounting to \$63,841 (2007: \$174,758) and \$33,783 (2007: \$73,541) have been reversed by the Group and the Company respectively when the related finished goods were sold above their carrying amounts.

Notes to the Financial Statements

Year ended 31 December 2008

12 Contract work-in-progress

	Group	
	2008	2007
	\$	\$
Project costs	7,793	455,134
Comprising:		
Work-in-progress	7,793	455,134

13 Trade and other receivables

	Note	Group		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Trade receivables		72,293,443	64,675,236	6,620,279	7,461,041
Impairment losses		(4,089,590)	(4,267,111)	(473,492)	(471,832)
Net trade receivables		68,203,853	60,408,125	6,146,787	6,989,209
Deposits, prepayments and other receivables	14	10,590,453	12,972,362	4,557,667	1,120,522
Amounts due from:					
- subsidiaries	15	-	-	37,708,818	33,485,896
- associates	16	7,233,681	6,985,172	11,174	11,174
		86,027,987	80,365,659	48,424,446	41,606,801

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of activities, and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The maximum exposure to credit risk for trade receivables (including trade amounts due from subsidiaries and associates) at the reporting date (by type of customer) is:

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Consumer business	41,826,154	38,492,383	6,300,152	7,084,560
Health solutions	3,614,584	3,797,340	-	-
Packaging	22,763,214	18,118,402	-	-
	68,203,952	60,408,125	6,300,152	7,084,560

Notes to the Financial Statements

Year ended 31 December 2008

Impairment losses

The ageing of trade receivables (including trade amounts due from subsidiaries and associates) at reporting date is:

	Gross 2008 \$	Impairment losses 2008 \$	Gross 2007 \$	Impairment losses 2007 \$
Group				
Not past due	47,886,010	18,104	48,400,712	28,629
Past due 0 – 90 days	15,654,527	197,525	12,208,174	1,586,384
Past due 91 – 180 days	1,442,846	72,186	1,592,970	263,544
Past due 181 – 365 days	2,625,951	156,583	381,415	320,217
More than one year	4,684,208	3,645,192	2,091,965	2,068,337
	72,293,542	4,089,590	64,675,236	4,267,111
Company				
Not past due	5,029,337	466,307	6,183,892	466,307
Past due 0 – 90 days	1,735,097	-	1,275,379	-
Past due 91 – 180 days	-	-	77,513	2,068
Past due 181 – 365 days	-	-	37,601	30,602
More than one year	475,517	473,492	448,314	439,162
	7,239,951	939,799	8,022,699	938,139

The change in impairment loss in respect of trade receivables (including trade amounts due from subsidiaries and associates) during the year is as follows:

	Group		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
At 1 January	4,267,111	2,690,213	938,139	999,353
Impairment loss recognised	(177,521)	1,576,898	1,660	(61,214)
At 31 December	4,089,590	4,267,111	939,799	938,139

14 Deposits, prepayments and other receivables

	Group		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
Deposits	1,137,719	1,328,680	18,026	16,306
Prepayments	1,250,601	909,584	68,671	174,436
Non-trade receivables	6,580,260	9,939,627	3,040,369	238,155
Tax recoverable	1,509,001	634,589	1,333,140	534,641
Interest receivable	112,872	159,882	97,461	156,984
	10,590,453	12,972,362	4,557,667	1,120,522

Notes to the Financial Statements

Year ended 31 December 2008

15 Amounts due from subsidiaries

	Company	
	2008	2007
	\$	\$
Interest-bearing loans	6,500,000	5,000,000
Current accounts:		
- trade	619,672	561,658
- non-trade	41,304,821	38,639,913
	48,424,493	44,201,571
Impairment losses	(10,715,675)	(10,715,675)
	37,708,818	33,485,896

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 4% to 5% (2007: 5%) per annum.

16 Amounts due from associates

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Current accounts:				
- trade	99	-	-	-
- non-trade	10,325,456	7,876,486	1,433,367	68,913
Impairment losses	(3,091,874)	(891,314)	(1,422,193)	(57,739)
	7,233,681	6,985,172	11,174	11,174

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

The change in impairment loss in respect of amounts due from associates during the year is as follows:

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
At 1 January	891,314	-	57,739	-
Impairment loss recognised	2,200,560	891,314	1,364,454	57,739
At 31 December	3,091,874	891,314	1,422,193	57,739

Notes to the Financial Statements

Year ended 31 December 2008

17 Cash and cash equivalents

	Note	Group		Company	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cash at bank and in hand		20,844,927	14,651,346	356,412	466,396
Fixed deposits with banks		76,730,542	105,832,097	55,918,283	82,949,162
		97,575,469	120,483,443	56,274,695	83,415,558
Bank overdrafts	21	(1,347,212)	(1,317,495)	-	-
Deposits pledged		(2,057,087)	(4,647,890)	-	-
		94,171,170	114,518,058	56,274,695	83,415,558

Included in the Group's cash at bank is an amount of \$8,305,044 (2007: \$7,175,619) which earns interest at floating rates based on daily bank deposit rates ranging from 0.02% to 0.36% (2007: 0.05% to 1.15%) per annum.

The weighted average effective interest rates per annum relating to fixed deposits with banks at the balance sheet date for the Group and Company are 0.97% (2007: 2.16%) and 0.83% (2007: 2.24%) respectively. Interest rates are repriced at intervals of up to one year.

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

18 Share capital

	Group and Company	
	2008	2007
	No. of shares	No. of shares
Fully paid ordinary shares, with no par value:		
At 1 January	561,226,746	1,867,455,825
Exercise of share options	-	3,300,000
	561,226,746	1,870,755,825
Share consolidation	-	(1,496,604,661)
Issue of rights issue shares	-	187,075,582
At 31 December	561,226,746	561,226,746

During the year ended 31 December 2008, the Company completed the buy-back of 9,808,000 (2007: Nil) ordinary shares, representing 1.75% (2007: Nil) of the issue share capital on that date, under the terms of the Share Buy-Back Mandate dated 8 May 2003, approved by shareholders on 30 May 2003. The total consideration for share bought back on the market is \$2,087,470 (2007: \$Nil), being an average market price, including incidental costs, of \$0.21 (2007: \$Nil) per share. This amount is classified as a deduction from equity under "treasury shares". At 31 December 2008, the Company held 9,808,000 (2007: Nil) of its own uncanceled shares.

The total number of issued shares excluding treasury shares as at the end of the year ended 31 December 2008 was 551,418,746 (2007: 561,226,746).

The holders of ordinary shares (excluding treasury 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 (excluding treasury shares) rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

Year ended 31 December 2008

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes alignment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may align the dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's approach to capital management during the year.

As disclosed in note 20, a subsidiary of the Group is required by the Foreign Enterprise Law of the People's Republic of China (the "PRC") to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2008 and 31 December 2007.

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 of the options	Options outstanding at 01/01/2008	Options expired	Options outstanding at 31/12/2008	Number of option holders at 31/12/2008	Exercise period
20/08/2003	\$0.220	2,900,000	-	2,900,000	8	20/08/2004 – 19/08/2013
20/08/2003	\$0.325	800,000	(800,000)	-	-	20/08/2004 – 19/08/2008
		3,700,000	(800,000)	2,900,000		

Notes to the Financial Statements

Year ended 31 December 2008

20 Reserves

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Other capital reserves	3,141,401	2,909,709	-	-
Fair value reserve	(1,019,674)	(569,975)	(548,633)	(378,253)
Currency translation reserve	(7,084,273)	(3,391,233)	-	-
Accumulated profits	60,917,877	60,482,890	1,028,910	3,190,185
	55,955,331	59,431,391	480,277	2,811,932

The currency translation reserve comprises:

- (a) foreign 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) the 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, excluding impairment losses, until the investment is derecognised or impaired.

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 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.

21 Financial liabilities

	Note	Group	
		2008	2007
		\$	\$
Non-current liabilities			
Secured bank loans		593,199	856,843
Finance lease liabilities		641,207	204,048
		1,234,406	1,060,891
Current liabilities			
Bank overdrafts	17	1,347,212	1,317,495
Secured bank loans		7,485,145	7,137,751
Unsecured bank loans		2,103,710	-
Trust receipts		2,234,770	105,882
Bills payable		7,478,003	15,478,658
Finance lease liabilities		325,668	78,977
		20,974,508	24,118,763
Total loans and borrowings		22,208,914	25,179,654

Notes to the Financial Statements

Year ended 31 December 2008

Borrowings (excluding finance lease liabilities)

- (i) Included in bank overdrafts of the Group is an amount of \$1,152,065 (2007: \$1,303,325), secured by a standby letter of credit from a bank of \$1,470,000 (2007: \$1,470,000) which is guaranteed by the Company.
- (ii) The secured bank loans comprise:
 - (a) Term loans of \$1,556,843 (2007: \$1,471,814), secured by the following:
 - (1) leasehold building held by a subsidiary with a carrying amount of \$1,582,890 (2007: \$1,615,237);
 - (2) property with a market value of \$2,000,000 (2007: \$2,100,000) owned by a minority shareholder which is also used to secure the overdraft of \$195,147 (2007: \$14,170) of the subsidiary; and
 - (3) corporate guarantee from the Company and personal guarantee from a minority shareholder.

The term loans are repayable by monthly instalments over a period of 5 years.
 - (b) Term loans amounting to \$6,521,501 (2007: \$6,522,780), secured by certain leasehold buildings held by the packaging subsidiaries in China with carrying amount of \$16,931,222 (2007: \$14,702,379), which form part of the securities in (iv) below. These loans are repayable over a period of one month to one year.
- (iii) In 2007, trust receipts of \$105,882 were secured by fixed charges over a subsidiary's freehold building with carrying amount of \$974,043.
- (iv) Bills payable of \$7,395,150 (2007: \$15,413,116) with original term maturing within 6 months is secured by certain leasehold buildings and certain plant and machinery held by subsidiaries with carrying amount of \$28,649,024 (2007: \$26,848,515) and bank deposits of \$2,057,087 (2007: \$4,647,890).

Finance lease liabilities

At 31 December 2008, the Group has obligations under finance leases that are payable as follows:

Group	2008			2007		
	Payments \$	Interest \$	Principal \$	Payments \$	Interest \$	Principal \$
Payable within 1 year	377,637	51,969	325,668	100,408	21,431	78,977
Payable after 1 year but within 5 years	648,359	48,626	599,733	220,940	31,294	189,646
Payable after 5 years	42,511	1,037	41,474	14,745	343	14,402
Total	1,068,507	101,632	966,875	336,093	53,068	283,025

Notes to the Financial Statements

Year ended 31 December 2008

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Nominal interest rate	Year of maturity	2008 Carrying amount \$	2007 Carrying amount \$
Secured/unsecured bank loans:				
- S\$ floating rate loans	SIBOR + 1.75%	2009 - 2011	1,556,843	1,471,815
- S\$ trust receipts	3.78 – 5.25%	2009	1,520,589	-
- US\$ trust receipts	6.40 – 6.90%	2009	714,181	-
- RM trust receipts	5.00 – 5.25%	2008	-	105,882
- RMB fixed rate loan	5.56 – 7.47%	2009	8,625,211	6,522,779
Finance lease liabilities	2.50 – 10.25%	2009 - 2015	966,875	283,025
Bank overdrafts	4.25 – 7.00%	2009	1,347,212	1,317,495
Bills payable	-	2009	7,478,003	15,478,658
			<u>22,208,914</u>	<u>25,179,654</u>

The following are the expected contractual undiscounted cash inflows (outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount \$	Contractual cash flows \$	Within 1 year \$	Cash flows Within 1 to 5 years \$	More than 5 years \$
2008					
Non-derivative financial liabilities					
Variable interest rate loans	1,556,843	(1,586,294)	(973,757)	(612,537)	-
Fixed interest rate loans	8,625,211	(8,871,667)	(8,871,667)	-	-
Finance lease liabilities	966,875	(1,068,507)	(377,637)	(648,359)	(42,511)
Bank overdrafts	1,347,212	(1,347,212)	(1,347,212)	-	-
Bills payable	7,478,003	(7,478,003)	(7,478,003)	-	-
Trust receipts	2,234,770	(2,262,424)	(2,262,424)	-	-
Trade and other payables*	43,942,204	(43,942,204)	(43,942,204)	-	-
	<u>66,151,118</u>	<u>(66,556,311)</u>	<u>(65,252,904)</u>	<u>(1,260,896)</u>	<u>(42,511)</u>
2007					
Non-derivative financial liabilities					
Variable interest rate loans	1,471,815	(1,596,358)	(671,885)	(924,473)	-
Fixed interest rate loans	6,522,779	(6,704,532)	(6,704,532)	-	-
Finance lease liabilities	283,025	(336,093)	(100,408)	(220,940)	(14,745)
Bank overdrafts	1,317,495	(1,317,495)	(1,317,495)	-	-
Bills payable	15,478,658	(15,478,658)	(15,478,658)	-	-
Trust receipts	105,882	(105,882)	(105,882)	-	-
Trade and other payables*	34,382,799	(34,382,799)	(34,382,799)	-	-
	<u>59,562,453</u>	<u>(59,921,817)</u>	<u>(58,761,659)</u>	<u>(1,145,413)</u>	<u>(14,745)</u>

* Excludes provision for contingencies in an associate and accrued expenses

Notes to the Financial Statements

Year ended 31 December 2008

Company	Carrying amount \$	Contractual cash flows \$	Within 1 year \$	Cash flows Within 1 to 5 years \$	More than 5 years \$
2008					
Trade and other payables*	16,663,238	(16,663,238)	(16,663,238)	-	-
2007					
Trade and other payables*	14,265,902	(14,265,902)	(14,265,902)	-	-

* Excludes provision for contingencies in an associate and accrued expenses

22 Deferred capital grant

	Group	
	2008 \$	2007 \$
Cost		
At 1 January	77,167	-
Received during the year	76,172	77,167
Exchange translation	4,962	-
At 31 December	158,301	77,167
Accumulated amortisation		
At 1 January	1,942	-
Amortisation charge during the year	4,064	1,942
Exchange translation	274	-
At 31 December	6,280	1,942
Carrying amount		
Current	9,894	2,912
Non-current	142,127	72,313
	152,021	75,225

Deferred capital grant relate to government grants received for the acquisition of factory building and plant and machinery by one of the subsidiaries in PRC and will be amortised over the useful lives of the related assets acquired. There are no unfulfilled conditions or contingencies attached to these grants.

Notes to the Financial Statements

Year ended 31 December 2008

23 Trade and other payables

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Trade payables	32,714,912	23,547,557	5,130,138	6,022,855
Retention monies payable	37,036	937,530	-	-
Amounts due to:				
- subsidiaries (trade)	-	-	275,907	308,031
- subsidiaries (non-trade)	-	-	7,705,473	4,197,716
- minority shareholder of a subsidiary (non-trade)	1,000,000	1,000,000	-	-
Other payables	10,190,256	8,897,712	3,551,720	3,737,300
Provision for contingencies in an associate	-	1,185,958	-	366,253
Accruals	10,118,830	10,389,209	2,477,241	2,580,471
	<u>54,061,034</u>	<u>45,957,966</u>	<u>19,140,479</u>	<u>17,212,626</u>

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

24 Revenue

	Group	
	2008	2007
	\$	\$
Sale of goods	300,289,853	254,693,099
Revenue from construction contracts and healthcare consultancy	2,944,874	7,241,516
Total revenue	<u>303,234,727</u>	<u>261,934,615</u>

25 Finance income and expense

	Group	
	2008	2007
	\$	\$
Interest income:		
- held-to-maturity debt securities	125,516	-
- fixed deposits	1,384,545	1,176,606
Dividend income	52,998	1,610
Gain on disposal of available-for-sale equity securities	4,855	-
Movement in receivables carried at amortised cost	163,393	482,778
Finance income	<u>1,731,307</u>	<u>1,660,994</u>
Interest expense:		
- bank borrowings	995,166	692,074
- finance lease liabilities	87,259	38,216
Impairment loss on available-for-sale equity securities	3,769,682	1,449,328
Finance expenses	<u>4,852,107</u>	<u>2,179,618</u>
Net finance expenses recognised in income statement	<u>(3,120,800)</u>	<u>(518,624)</u>

Notes to the Financial Statements

Year ended 31 December 2008

26 Income tax expense

	Group	
	2008	2007
	\$	\$
Current tax expense		
Current year	2,816,298	2,732,508
Adjustment for prior years	(1,384,496)	101,425
	<u>1,431,802</u>	<u>2,833,933</u>
Deferred tax expense		
Origination and reversal of temporary differences	(34,998)	(59,929)
Reduction in tax rate	-	(211,958)
Reversal of deferred tax liabilities upon disposal of leasehold building	-	(956,829)
Adjustment for prior years	(39,322)	(244,627)
	<u>(74,320)</u>	<u>(1,473,343)</u>
Total income tax expense	<u>1,357,482</u>	<u>1,360,590</u>

Reconciliation of effective tax rate

Profit for the year	5,370,166	10,923,750
Total income tax expense	1,357,482	1,360,590
Profit excluding income tax	<u>6,727,648</u>	<u>12,284,340</u>
Tax calculated using Singapore tax rate of 18%	1,210,977	2,211,181
Reduction in tax rate	-	(211,958)
Effect of different tax rates in other countries	468,627	844,393
Income not subject to tax	(285,170)	(728,852)
Tax effect on share of profit of associates	(326,194)	(404,454)
Effect of group relief	-	(63,140)
Expenses not deductible for tax purposes	1,514,675	1,970,632
Tax rebate	(81,309)	(722,259)
Reversal of deferred tax liabilities upon disposal of leasehold building	-	(956,829)
Adjustment for prior years	(1,423,818)	(143,202)
Tax losses not recognised	313,079	-
Utilisation of previously unrecognised tax losses	(7,702)	(340,024)
Others	(25,683)	(94,898)
	<u>1,357,482</u>	<u>1,360,590</u>

On 22 January 2009, the Minister for Finance announced in his Budget speech that the corporate income tax rate will be reduced from 18% to 17% from the year of assessment 2010. The tax expense for the Company and its Singapore subsidiaries within the Group for the year ended 31 December 2008 have been computed at the rate of 18%, being the corporate income tax rate in effect as at that date.

Had the latest corporate income tax rate of 17% been used, the deferred tax expense for the Group and the Company would have decreased by \$89,796 and \$16,246 respectively. The deferred tax liability for the Group and the Company would also have decreased by \$89,796 and \$16,246 respectively.

Notes to the Financial Statements

Year ended 31 December 2008

27 Profit for the year

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

	Group	
	2008	2007
	\$	\$
Amortisation of:		
- development cost	337,638	500,681
- licences	7,266,267	3,049,758
- royalties	47,212	88,601
Bad debts written off	328,734	121,720
Bad debts reversed	(96,606)	(145,577)
Deferred expenditure written off	96,956	164,326
Depreciation of investment property	28,039	26,528
Depreciation of property, plant and equipment	6,908,873	6,788,166
Exchange loss/(gain)	743,951	(1,101,994)
Gain on dilution of interest in a subsidiary	-	(1,469,655)
Gain on disposal of property, plant and equipment	(19,455)	(3,618,523)
Impairment loss on investment in an associate	-	85,691
Impairment loss on non-financial assets	48,312	45,311
Intangible assets written off	46,284	-
Inventories written off	257,293	227,786
Non-audit fees paid to:		
- auditors of the Company	23,489	97,659
- other auditors	9,200	4,000
Staff costs	36,444,661	31,201,253
Contribution to defined contribution plans included in staff costs	2,809,857	2,273,194
Operating expenses arising from rental of investment properties	26,889	12,567
Operating lease expense	3,663,930	1,921,656
Property, plant and equipment impaired and written off	77,279	844,519
Rental income	(1,237,775)	(1,070,065)

28 Earnings per share

	Group	
	2008	2007
	\$	\$
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	3,465,816	7,580,845
	2008	2007
	No. of shares	No. of shares
Weighted average number of shares outstanding during the year	559,195,079	436,104,858
Weighted average number of shares issued, used in the calculation of basic earnings per share	559,195,079	436,104,858
Dilutive effective of share options	453,651	1,210,778
Weighted average number of shares (diluted)	559,648,730	437,315,636

Notes to the Financial Statements

Year ended 31 December 2008

29 Dividends

	2008 \$	2007 \$
Final dividend paid of 0.50 cents (2007: 0.20 cents) per share, exempt one-tier (2007: less tax at 18%)	2,805,637	3,063,448

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

	2008 \$	2007 \$
Final dividend proposed of 0.50 cents per share in 2007, exempt one-tier	-	2,806,134

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

The Group comprises the following main business segments:

- I Consumer Essentials
 - Consumer Business : Supply of provisions and household consumer products, retail franchising, manufacture and sale of soya bean products and 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.

Notes to the Financial Statements

Year ended 31 December 2008

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.

Business segments

	← Consumer Essentials →		← Strategic Investments →		
	Consumer Business	Health Solutions	Packaging	Others	Total operations
	\$	\$	\$	\$	\$
Group					
2008					
Revenue and expenses					
Total revenue	203,939,566	2,944,873	96,350,288	-	303,234,727
Segment results	6,887,009	(2,975,170)	4,423,510	(253,767)	8,081,582
Unallocated results					(48,312)
Results from operating activities					8,033,270
Net finance expense					(3,120,800)
Share of profit of associates					1,815,178
Income tax expense					(1,357,482)
Profit for the year					5,370,166
Assets					
Segment assets	185,027,530	25,065,049	86,626,406	8,433,228	305,152,213
Investments in associates	-	8,391,152	-	35,311,097	43,702,249
Unallocated assets					18,600,923
Total assets					367,455,385
Liabilities					
Segment liabilities	40,290,900	1,271,588	12,636,408	14,167	54,213,063
Unallocated liabilities					27,540,222
Total liabilities					81,753,285

Notes to the Financial Statements

Year ended 31 December 2008

Group	← Consumer Essentials →		← Strategic Investments →		Total operations
	Consumer Business	Health Solutions	Packaging	Others	
	\$	\$	\$	\$	\$
2007					
Revenue and expenses					
Total revenue	180,083,735	7,241,515	74,609,365	-	261,934,615
Segment results	3,449,617	1,094,123	5,363,220	679,348	10,586,308
Unallocated results					(30,311)
Results from operating activities					10,555,997
Net finance expenses					(518,624)
Share of profit of associates					2,246,967
Income tax expense					(1,360,590)
Profit for the year					10,923,750
Assets					
Segment assets	190,719,054	23,599,481	84,439,629	7,469,786	306,227,950
Investments in associates	-	15,665,134	-	25,542,472	41,207,606
Unallocated assets					19,208,458
Total assets					366,644,014
Liabilities					
Segment liabilities	31,755,526	2,758,897	11,504,729	14,039	46,033,191
Unallocated liabilities					31,843,345
Total liabilities					77,876,536
2008					
Other segment information					
Amortisation of intangible assets	7,651,117	-	-	-	7,651,117
Depreciation of property, plant and equipment	3,116,110	83,546	3,709,217	-	6,908,873
Depreciation of investment properties	-	-	-	28,039	28,039
Capital expenditure	12,925,047	173,665	2,924,430	-	16,023,142
Other non-cash expenses	846,700	382,844	124,405	565,682	1,919,631

Notes to the Financial Statements

Year ended 31 December 2008

Group	← Consumer Essentials →		← Strategic Investments →		Total operations
	Consumer Business	Health Solutions	Packaging	Others	
	\$	\$	\$	\$	\$
2007					

Other segment information

Amortisation of intangible assets	3,639,040	-	-	-	3,639,040
Depreciation of property, plant and equipment	2,888,046	97,489	3,802,631	-	6,788,166
Depreciation of investment properties	-	-	-	26,528	26,528
Capital expenditure	9,311,921	42,425	4,646,083	-	14,000,429
Other non-cash expenses	332,609	1,441,978	853,531	225,525	2,853,643

Geographical segments

	Singapore	Malaysia	China	Total operations
	\$	\$	\$	\$
2008				
Revenue from external customers	175,325,057	60,809,260	67,100,410	303,234,727
Segment assets	190,630,503	49,994,026	64,527,684	305,152,213
Capital expenditure	12,923,820	783,981	2,315,341	16,023,142
2007				
Revenue from external customers	148,549,811	55,835,631	57,549,173	261,934,615
Segment assets	197,079,672	44,259,147	64,889,131	306,227,950
Capital expenditure	8,698,374	689,938	4,612,117	14,000,429

Notes to the Financial Statements

Year ended 31 December 2008

31 Acquisition/disposal of subsidiaries

Acquisition in 2008

Incorporation of United Packaging Industries Pte. Ltd.

On 9 May 2008, United Packaging Industries Pte. Ltd. (UPKG) was incorporated with an issued and paid up share capital of 1 ordinary share at S\$1. On 6 June 2008, Tat Seng Packaging Group Ltd has entered into an agreement with United Paper Industries Pte. Ltd. (UPI) for the acquisition of the assets and business of UPI. The effective date of the acquisition was 21 July 2008. The acquisition of the assets and business of UPI was injected into the business of UPKG on 21 July 2008.

The goodwill of \$17,684 arising from the acquisition of the assets and business of UPI 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 \$815,462 and \$126,418 were made to the carrying value of property, plant and equipment and deferred tax liability, in arriving at the recognised value of \$2,772,161 and \$126,418 respectively.

Acquisition of Alliance Entertainment Singapore Pte. Ltd.

On 15 February 2008, the Group acquired 100% of the shares of Alliance Entertainment Singapore Pte. Ltd., a Singapore incorporated company engaged in the business of motion pictures, video distribution and services allied to motion picture, video production and distribution.

During the period from 15 February 2008 to 31 December 2008, Alliance Entertainment Singapore Pte. Ltd. has contributed \$596,238 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 \$3,536,462 and revenue would have been \$304,760,425.

The goodwill of \$641,741 arising from the acquisition of Alliance Entertainment Singapore Pte. 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.

Incorporation of InnoForm Digital Media Pte. Ltd.

On 27 December 2007, InnoForm Digital Media Pte. Ltd. was incorporated with an issued paid-up share capital of \$1 comprising 1 ordinary share. On 8 January 2008, InnoForm Media Pte Ltd entered into a joint venture agreement with Messrs Foo Kok Lin Collin, Lim Boon Choon and Tan Choon Gee to undertake the business of supplying and leasing of computerised music hardware and software and venturing into areas of karaoke-on-demand and new media.

Notes to the Financial Statements

Year ended 31 December 2008

During the period from 8 January 2008 to 31 December 2008, InnoForm Digital Media Pte. Ltd. has contributed \$(108,130) to the net profit of the Group.

The goodwill of \$272,521 arising from the acquisition of the assets and business of Phileo Marketing Pte Ltd and Livewire Technologies Pte 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.

The effects of acquisition of business and a subsidiary are set out below:

	Recognised values	
	2008	2007
	\$	\$
Net assets acquired		
Property, plant and equipment	3,334,868	-
Intangible assets	1,044,541	-
Inventories	3,447,594	106
Trade and other receivables	2,995,871	-
Cash and cash equivalents	2,375,352	61
Trade and other payables	(4,083,954)	(8,133)
Current tax payable	(413,200)	-
Deferred tax liability	(126,418)	-
Net assets/(liabilities)acquired	8,574,654	(7,966)
Goodwill on acquisition	931,946	8,728
Minority interests	(490,000)	-
Purchase consideration	9,016,600	762
Cash and bank balances acquired	(2,375,352)	(61)
Net cash outflow	6,641,248	701

Disposal of a subsidiary

The Group is in the process of deregistering I-View Media Pte. Ltd. under the Singapore Companies Act, Chapter 50.

Notes to the Financial Statements

Year ended 31 December 2008

32 Financial risk management

Overview

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. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

At the balance sheet date, credit risk is concentrated mainly in cash and fixed deposits with banks, held-to-maturity debt securities and trade receivables. Cash and fixed deposits are placed with banks which are regulated. 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.

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.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

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.

Notes to the Financial Statements

Year ended 31 December 2008

Sensitivity analysis

For variable rate financial assets and liabilities, a change of 1% in interest rate at the reporting date would increase (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$
31 December 2008				
Profit or loss	821,315	(821,315)	559,183	(559,183)
31 December 2007				
Profit or loss	1,119,200	(1,119,200)	829,877	(829,877)

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 Chinese Renminbi, Australian dollars, Hong Kong dollars, New Taiwan dollars, Japanese yen, Brunei dollars, United States dollars, Euro and Malaysia Ringgit.

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. A subsidiary of the Company uses forward foreign exchange contracts to hedge its foreign currency risk when necessary.

As at 31 December 2008, the subsidiary has outstanding forward exchange contracts with notional amounts of approximately \$144,750 (2007: \$Nil). Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of other operating expenses. Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the income statement. The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies at 31 December 2008 for the subsidiary was \$(1,088) (2007: \$Nil) and was recognised as other payables.

The Group's and Company's exposures to foreign currency are as follows:

	Malaysia Ringgit	Hong Kong dollars	Singapore dollars	Other currencies
	\$	\$	\$	\$
31 December 2008				
Group				
Other financial assets	9,822,982	6,978,685	-	-
Trade and other receivables	5,696,347	6,466,932	1,244,124	4,909,503
Cash and cash equivalents	279,308	25,025	142,738	1,728,911
Trade and other payables	(1,285,443)	(25,555)	(13,597,088)	(4,475,594)
	14,513,194	13,445,087	(12,210,226)	2,162,820
Company				
Other financial assets	-	6,978,685	-	-
Trade and other receivables	3,375,414	6,466,932	-	-
Cash and cash equivalents	19,703	25,025	-	6,636
Trade and other payables	(4,252)	-	-	-
	3,390,865	13,470,642	-	6,636

Notes to the Financial Statements

Year ended 31 December 2008

	Malaysia Ringgit \$	Hong Kong dollars \$	Singapore dollars \$	Other currencies \$
31 December 2007				
Group				
Other financial assets	10,321,866	-	-	-
Trade and other receivables	2,191,170	92,880	1,288,454	7,987,378
Cash and cash equivalents	188,070	4,056,329	458	1,299,759
Trade and other payables	(952,315)	(78,395)	(20,622,699)	(3,978,135)
	11,748,791	4,070,814	(19,333,787)	5,309,002
Company				
Trade and other receivables	-	-	-	-
Cash and cash equivalents	20,734	4,056,329	-	6,668
Trade and other payables	-	-	-	-
	20,734	4,056,329	-	6,668

Sensitivity analysis

A 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase (decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Equity \$	Profit or loss \$	Equity \$	Profit or loss \$
31 December 2008				
Malaysia Ringgit	(982,298)	(469,022)	-	(339,087)
Hong Kong dollars	(776,525)	(567,984)	(129,832)	(1,217,232)
Other currencies	-	(216,282)	-	(664)
	(1,758,823)	(1,253,288)	(129,832)	(1,556,983)
31 December 2007				
Malaysia Ringgit	(1,032,187)	(142,692)	-	(2,073)
Hong Kong dollars	-	(407,081)	-	(405,633)
Other currencies	-	(530,900)	-	(667)
	(1,032,187)	(1,080,673)	-	(408,373)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

Year ended 31 December 2008

Sensitivity analysis-equity price risk

The Group's and the Company's equity instruments are listed. A 10% increase (decrease) in the underlying equity prices at the reporting date would increase (decrease) equity by the following amount:

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Equity	1,258,353	1,391,790	231,228	248,266

This analysis assumes that all other variables remain constant.

Estimation of fair values

Derivatives financial instruments

Forward exchange contracts are marked to market using quoted or listed market price.

Investments in equity securities

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

Investments in debt securities

It is not practicable to calculate the fair value of the investments in unquoted debt securities because of lack of quoted market prices and the inability to estimate fair value reliably. However, the management believes that the carrying amount recorded at balance sheet date reflects the corresponding fair values.

Other financial assets and liabilities

The carrying 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 2008, the Group and the Company have the following commitments:

- (a) Capital commitments in respect of leasehold improvement contracts and Enterprise Resource Planning system:

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Contracted but not provided for	294,450	1,599,302	291,769	198,581

Notes to the Financial Statements

Year ended 31 December 2008

- (b) The Group and the Company leases out certain of its investment property and property, plant and equipment. Non-cancellable operating lease rental are receivable as follows:

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Within 1 year	820,873	796,296	873,531	1,223,258
After 1 year but within 5 years	530,291	1,069,990	115,363	720,182
After 5 years	-	11,986	-	-
	<u>1,351,164</u>	<u>1,878,272</u>	<u>988,894</u>	<u>1,943,440</u>

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

	Group		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Within 1 year	4,333,156	2,863,036	746,790	702,768
After 1 year but within 5 years	16,515,072	9,076,940	2,986,583	2,830,064
After 5 years	25,895,340	26,594,613	9,474,637	9,696,672
	<u>46,743,568</u>	<u>38,534,589</u>	<u>13,208,010</u>	<u>13,229,504</u>

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 \$710,598 (2007: \$676,501).

34 Contingent liabilities - unsecured

Company

Unsecured

- (a) As at 31 December 2008, the Company has issued unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries of \$7,673,299 (2007: \$7,922,686).
- (b) The Company has given formal undertakings, which are unsecured, to provide financial support to certain of its subsidiaries. As at 31 December 2008, the deficits in shareholders' funds of these subsidiaries amounted to \$12,292,017 (2007: \$11,947,623).

Notes to the Financial Statements

Year ended 31 December 2008

35 Related parties

Key management personnel compensation

Compensation payable to key management personnel comprise:

	Group	
	2008	2007
	\$	\$
Short-term employee benefits	3,549,207	3,258,890
Post-employment benefits	52,442	46,455
	<u>3,601,649</u>	<u>3,305,345</u>

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

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

	Group	
	2008	2007
	\$	\$
<i>Transactions with companies that have a common director with the Company</i>		
Purchase of beverages and cereals	284,389	-
Advisory and consultancy fees paid/payable	60,000	60,000
<i>Other related party transactions</i>		
Sales	(938,502)	-
Hire of motor vehicles payable	9,194	13,178
Management and administrative fees receivable	-	(25,381)
Rental income received/receivable	<u>(222,439)</u>	<u>(137,023)</u>

As at 31 December 2008, investments in securities in companies that have a common director with the Company amounted to \$4,179,442 (2007: \$Nil).

36 Subsequent event

Subsequent to 31 December 2008, a subsidiary, PSC Investment Pte Ltd, subscribed to HK\$80,000,000 or \$15,544,000 of convertible note in Jollify Limited. The proceeds of the convertible note shall be used for the sole purpose of investing in the construction or development of commodity property(ies) to be erected on South Zhongshan Road, South Zhu Village, Dong Pu County, Tianhe District, Guangzhou City, the People's Republic of China.

The aggregate consideration for the acquisition was \$15,544,000, satisfied in cash in January 2009, and was funded by the proceeds arising from the rights issue undertaken by the Company in 2007.

Supplementary Information

Year ended 31 December 2008

1 Directors' remuneration

Company's directors receiving remuneration from the Group:

	Number of directors	
	2008	2007
Remuneration of:		
\$1,000,001 to \$1,250,000	1	1
\$750,001 to \$1,000,000	1	1
\$500,001 to \$750,000	1	-
\$250,001 to \$500,000	-	-
\$250,000 and below	6	7*
	9	9

* Two directors from the remuneration band resigned during the financial year 2007.

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
Lot MLO 1101, Kampong Bukit Kulai, Johor, Malaysia	Factory used by a subsidiary for its operations	Freehold
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

Supplementary Information

Year ended 31 December 2008

Location	Description	Tenure
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 sq m 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
20 KM, Jalan Pontian Lama 81110 Pulai, Johor, Malaysia	Apartments	Freehold

3 Interested person transactions

Interested person	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) \$
Super Coffeemix Manufacturing Ltd		
- Purchase of beverages and cereals	284,389	-
Big Media Group Ltd		
- Purchase of 37,000,000 shares	2,921,682	-

Supplementary Information

Year ended 31 December 2008

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 2004"). The Company received net proceeds of \$29,045,497 from the Rights Issue 2004 and the amount of which utilisation as at 31 December 2008 were as follows:

	2008 \$	2007 \$
Usage as at 1 January	19,874,346	19,874,346
Purchase of 51% equity interest in Alliance Entertainment Singapore Pte. Ltd.	3,000,000	-
Working capital	4,200,000	-
	<u>27,074,346</u>	<u>19,874,346</u>

In addition, a rights issue of 187,075,582 fully-paid ordinary shares at an issue price of \$0.33 for each rights share was made by the Company in 2007 to existing shareholders in the proportion of one share for every two shares held ("Rights Issue 2007"). The Company received net proceeds of \$61,287,444 from the Rights Issue 2007 and the amount of which utilisation as at 31 December 2008 were as follows:

	2008 \$	2007 \$
Purchase of 27.85% equity interest in Prime King Holdings Ltd (inclusive of shareholder's loan)	<u>11,298,000</u>	<u>-</u>

资产负债表

截日2008年12月31日

		集团		公司	
	附注	2008 \$	2007 \$	2008 \$	2007 \$
非流动资产					
产业及机器设备	3	71,210,510	68,246,015	19,606,493	20,231,988
物业投资	4	1,875,750	1,999,778	-	-
子公司	5	-	-	47,718,055	46,218,055
联号公司	6	43,702,249	41,207,606	33,604,290	24,479,155
其他金融资产	7	15,464,648	13,917,899	5,193,402	2,482,660
无形资产	8	11,491,952	7,411,043	-	-
递延税款资产	9	337,033	699,409	-	-
		<u>144,082,142</u>	<u>133,481,750</u>	<u>106,122,240</u>	<u>93,411,858</u>
流动资产					
非金融资产	10	274,500	322,812	45,000	45,000
存货	11	36,696,044	31,990,350	6,523,950	4,547,726
应收账款及其他应收款	13	86,027,987	80,365,659	48,424,446	41,606,801
其他金融资产	7	2,799,243	-	2,799,243	-
现金和现金等同物	17	97,575,469	120,483,443	56,274,695	83,415,558
		<u>223,373,243</u>	<u>233,162,264</u>	<u>114,067,334</u>	<u>129,615,085</u>
资产合计		<u>367,455,385</u>	<u>366,644,014</u>	<u>220,189,574</u>	<u>223,026,943</u>
归属股东之权益					
股本	18	200,276,383	202,363,853	200,276,383	202,363,853
储备	20	55,955,331	59,431,391	480,277	2,811,932
		<u>256,231,714</u>	<u>261,795,244</u>	<u>200,756,660</u>	<u>205,175,785</u>
少数股东权益		<u>29,470,386</u>	<u>26,972,234</u>	<u>-</u>	<u>-</u>
股东权益合计		<u>285,702,100</u>	<u>288,767,478</u>	<u>200,756,660</u>	<u>205,175,785</u>
非流动负债					
金融负债	21	1,234,406	1,060,891	-	-
递延非经常补助金	22	142,127	72,313	-	-
递延应付税款	9	3,856,034	4,093,884	292,435	638,532
		<u>5,232,567</u>	<u>5,227,088</u>	<u>292,435</u>	<u>638,532</u>
流动负债					
递延非经常补助金	22	9,894	2,912	-	-
应付账款和其他应付款	23	54,061,034	45,957,966	19,140,479	17,212,626
金融负债	21	20,974,508	24,118,763	-	-
本期应付税款		1,475,282	2,569,807	-	-
		<u>76,520,718</u>	<u>72,649,448</u>	<u>19,140,479</u>	<u>17,212,626</u>
负债合计		<u>81,753,285</u>	<u>77,876,536</u>	<u>19,432,914</u>	<u>17,851,158</u>
负债及股东权益合计		<u>367,455,385</u>	<u>366,644,014</u>	<u>220,189,574</u>	<u>223,026,943</u>

附注内容是财务报表的组成部分之一。

综合损益表

截日2008年12月31日

	附注	2008 \$	2007 \$
收入	24	303,234,727	261,934,615
售出产品成本		(229,533,300)	(200,694,690)
毛利		73,701,427	61,239,925
其他营业收入		3,470,311	9,308,311
分销费用		(35,310,755)	(29,214,227)
行政费用		(31,908,082)	(27,924,369)
其他营业费用		(1,919,631)	(2,853,643)
营业活动之盈利		8,033,270	10,555,997
净金融费用	25	(3,120,800)	(518,624)
联号公司盈利分派（税后）		1,815,178	2,246,967
税前盈利		6,727,648	12,284,340
所得税	26	(1,357,482)	(1,360,590)
本期盈利	27	5,370,166	10,923,750
可归属：			
归属股东之权益		3,465,816	7,580,845
少数股东权益		1,904,350	3,342,905
本期盈利		5,370,166	10,923,750
每股盈利			
每股盈利基额（分）	28	0.62	1.74
每股盈利摊薄（分）	28	0.62	1.73

附注内容是财务报表的组成部分之一。

Shareholding Statistics

PSC CORPORATION LTD

11 March 2009

Number of Issued and Fully Paid Shares excluding Treasury Shares	:	551,418,746
Class of Shares	:	Ordinary Shares with equal voting rights
Issued and Fully Paid Share Capital	:	S\$202,811,351.15

SUBSTANTIAL SHAREHOLDERS as at 11 March 2009

SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES HELD		SHAREHOLDING PERCENTAGE %
	DIRECT INTEREST	DEEMED INTEREST	
Rich Life Holdings Pte Ltd	129,952,651	5,940,900	24.64
Hanny Magnetics (B.V.I.) Limited	-	135,893,551	24.64 (1)
Hanny Holdings Limited	-	135,893,551	24.64 (2)
Famex Investment Limited	-	135,893,551	24.64 (2)
Mankar Assets Limited	-	135,893,551	24.64 (2)
ITC Investment Holdings Limited	-	147,308,551(3)	26.71 (2)
ITC Corporation Limited	-	147,308,551	26.71 (2)
Galaxyway Investments Limited	-	147,308,551	26.71 (2)
Chinaview International Limited	-	147,308,551	26.71 (2)
Dr Chan Kwok Keung, Charles	-	147,308,551	26.71 (2)
Goi Seng Hui	59,998,404	-	10.88
Super Coffeemix Manufacturing Ltd	49,064,500	-	8.15

Notes:

- (1) Hanny Magnetics (B.V.I.) Limited is deemed to be interested in the 129,952,651 Shares and 5,940,900 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.
- (2) 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.
- (3) ITC Investment Holdings Limited is deemed to be interested in 135,893,551 Shares through Hanny Magnetics (B.V.I.) Limited and 11,415,000 Shares owned in High Prime Limited, its wholly-owned subsidiary.

DIRECTORS' SHAREHOLDING as at 21 January 2009

DIRECTORS	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	876,750	-
Lien Kait Long	5,530	-
Teo Kee Bock	-	633,900*

* Teo Kee Bock is deemed to be interested in 633,900 shares held by his wife Te Lay Hoon in the capital of the Company, by virtue of Section 7 of the Companies Act, Cap.50.

Shareholding Statistics

PSC CORPORATION LTD

11 March 2009

ANALYSIS OF SHAREHOLDERS as at 11 March 2009

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	2,210	21.26	883,224	0.16
1,000 – 10,000	5,719	55.01	23,525,559	4.19
10,001 – 1,000,000	2,447	23.54	106,259,580	18.93
1,000,001 and above	20	0.19	430,558,383	76.72
	10,396	100.00	561,226,746	100.00

TREASURY SHARES

Total Number of Ordinary Shares held in treasury ("Treasury Shares")	:	9,808,000
Voting Right	:	None
Percentage of this holding against total number of issued shares excluding Treasury Shares	:	1.78%

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 11 March 2009, 53.98 % 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 11 March 2009

NO.	NAME OF SHAREHOLDER	NO. OF SHARES HELD	%
1.	DBS Vickers Securities (S) Pte Ltd	110,850,579	20.10
2.	CIMB Bank Nominees (S) Sdn Bhd	60,000,000	10.88
3.	OCBC Securities Private Ltd	53,766,639	9.75
4.	Hong Leong Finance Nominees Pte Ltd	52,783,291	9.57
5.	Super Coffeemix Manufacturing Ltd	49,064,500	8.90
6.	United Overseas Bank Nominees Pte Ltd	17,944,150	3.25
7.	HL Bank Nominees (S) Pte Ltd	15,413,600	2.80
8.	DBS Nominees Pte Ltd	12,645,128	2.29
9.	Citibank Nominees S'pore Pte Ltd	9,211,780	1.67
10.	UOB Kay Hian Pte Ltd	8,527,919	1.55
11.	Goi Seng Hui	7,559,000	1.37
12.	OCBC Nominees Singapore Pte Ltd	6,793,957	1.23
13.	CIMB-GK Securities Pte Ltd	6,557,555	1.19
14.	China Healthcare Limited	2,996,700	0.54
15.	Philip Securities Pte Ltd	1,483,212	0.27
16.	Kim Eng Securities Pte Ltd	1,461,337	0.27
17.	Sim Huat Hoe	1,310,000	0.24
18.	Econ Medicare Centre Holdings Private Limited	1,253,200	0.23
19.	Eyu Chin Wat @ Yeo An Hai or Lim Siew Lian	1,129,000	0.20
20.	Law Ah Yi	980,000	0.18
		421,731,547	76.48

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-Fifth Annual General Meeting of PSC Corporation Ltd will be held at 348 Jalan Boon Lay, Singapore 619529 on Friday, 24 April 2009 at 10:00 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 2008 and the Auditors' Report thereon.

[Resolution 1]

2. To re-elect the following Directors, each of whom will retire in accordance with the Article 87 of the Company's Articles of Association:

(a) Dr Allan Yap

[Resolution 2a]

(b) Mr Lien Kait Long

[Resolution 2b]

[See Explanatory Note (1)]

3. To approve the payment of Directors' Fees of S\$350,000 for the year ended 31 December 2008.
(2007: S\$353,667)

[Resolution 3]

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

[Resolution 4]

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

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. **"Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.**

That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Companies Act") and Rule 806 of the listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting

PSC CORPORATION LTD

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

(COMPANY REGISTRATION NO. 197400888M)

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "Share Issue Mandate")

Provided that:

- (1) Save for sub-paragraph (2) below, the aggregate number of shares (including shares to be issued in pursuance of the instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (2) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued to existing shareholders via a pro-rata renounceable rights issue pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraphs (1) and (2) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (i) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of the Resolution; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (5) unless revoked or varied by the Company in general meeting, the Share Issued Mandate shall continue in force
 - (i) 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 or
 - (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

[Resolution 5]

[See Explanatory Note (2)]

Notice of Annual General Meeting

PSC CORPORATION LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO. 197400888M)

7. Authority to allot and issue shares and Instruments other than on a pro rata basis at a discount not exceeding 20 per centum (20%)

That subject to and pursuant to the Share Issued Mandate being obtained in Resolution 5 above, approval be and is hereby given to the Directors of the Company to allot and issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro rata basis at an issue price per share as the Directors of the Company may in their absolute discretion deem fit provided that such price shall not represent a discount of more than 20 per centum (20%) to the weighted average price per share determine in accordance with the requirements of SGX-ST.

[Resolution 6]

[See Explanatory Note (3)]

8. "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 fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time."

[Resolution 7]

[See Explanatory Note (4)]

9. "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:
- (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.”

[Resolution 8]

[See Explanatory Note (5)]

BY ORDER OF THE BOARD

Chew Kok Liang
Annie Wong Sook Cheng
Joint Company Secretaries
Singapore

8 April 2009

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) Dr Allan Yap is the Executive Director and Executive Chairman of the Company. Mr Lien Kait Long, upon re-election as director of the Company, remains as Chairman of the Nominating Committee and member of the Audit Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
- 2) The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company, from the date of this Meeting until the date of 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 or such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company save that the 50% limit may be increased to 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company in relation to a pro-rata renounceable rights issue to existing shareholders.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

- 3) The proposed Ordinary Resolution 6 above, if passed, will empower the Directors of Company to allot and issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issued Mandate) other than on a pro-rata basis at a discount of not more than 20% to the weighted average price per share determined in accordance with the requirements of the SGX-ST.
- 4) The 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 (the "Scheme") which was approved at the Extraordinary General Meeting of the Company held on 8 July 2003. Pursuant to the Extraordinary General Meeting of the Company held on 28 September 2007, the maximum number of shares issued or to be issued for Options under the Scheme had been changed to 15% of the total number of issued shares excluding treasury shares in the capital of the Company.
- 5) The 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 (excluding any ordinary shares held as treasury shares by the Company from time to time) 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35届常年股东大会将于2009年4月24日(星期五)上午10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2008年12月31日止财政年之董事报告及经审核账目和审计师报告。 [决议案 1]

2. 重选以下董事, 他们各自将根据公司章程第87条款退休:

(a) Dr Allan Yap

[决议案 2a]

(b) Lien Kait Long 先生

[决议案 2b]

【见附注(1)】

3. 批准截至2008年12月31日止财政年之董事酬劳S\$350,000。

(2007年: S\$353,667)

[决议案 3]

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 4]

5. 审议可在常年股东大会获得适当审议的其它任何普通事项。

特别事项

仔细考虑且在适当情况之下, 通过以下决议案5至8为普通修正决议或无修正决议案:

6. “授权根据公司法第50章第161节以及《新加坡证券交易所上市指南》第806条所规定发行公司股本中的股份。

根据公司法第50章第161节(“公司法”)以及《新加坡证券交易所上市指南》第806条所规定, 授权公司董事:

(a) (i) 发行公司之股份(“股票”), 不论是以认股证、红利或其他的方式发行; 以及 / 或

(ii) 订立或授予可能或须要发行股票的配股、协议或股票认购权(统称为“票据”), 包括但不限于产生和发行(以及调整)股票认购权、认股权证、债券或其它可转换为股份的票据,

在公司董事认为适当之情况下, 于任何时候按条款向合适人士发行本公司之股份; 以及

(b) (尽管由本决议所赋予之授权可能已经失效)在本决议案有效的情况下, 根据公司董事所订立或授予的任何票据发行股票,

(“股票发行授权”)

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)

其条件如下:

- (1) 除下节(2)外,按本决议案所应发行之股份(包括按本决议案订立或授予的票据而发行的股份)和票据总数不得超过公司股本中已发行股份总数(不包括库存股在内)的百分之五十(50%)(按下节(3)计算),其中,不按比例发行给公司现有股东的股份和票据之总数不得超过公司股本中已发行股份总数(不包括库存股在内)的百分之二十(20%)(按下节(3)计算);
- (2) 依据本决议案按比例发行给现有股东的可放弃附加股的股份(包括按本决议案订立或授予的票据而发行的股份)和票据总数不得超过公司股本中已发行股份总数(不包括库存股在内)的百分之一百(100%)(按下节(3)计算);
- (3) 按新加坡证券交易所指示之计算方式,为确定按上节(1)及(2)而可能发行股份之总额,已发行股份和票据的总数应在调整以下股份后,根据在本决议案通过之时,本公司已发行股份的总数(不包括库存股在内)计算:
 - (i) 可兑换证券或票据在转换或行使时所产生的新股份;
 - (ii) 本决议案获通过之时因行使股票认购权或授予股票奖励而产生的未承兑新股份;
 - (iii) 任何随后的花红分发、股份合并或拆分;
- (4) 在行使按本决议案所赋予之股票发行授权时,公司应遵守现行之《新加坡证券交易所上市指南》第806条的规定(除非新加坡证券交易所已免除该规定)与公司章程;及
- (5) 按本决议所赋予之股票发行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(i)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;或(ii)若属于按本决议案订立或授予的票据而应发行的股票,则至依据该票据的条款发行这类股票为止。”

[决议案 5]

[见附注(2)]

7. 授权以不超过百分之二十(20%)的折扣,不按比例配发和发行股票和票据。

此授权应依据上述决议案5中所赋予之股票发行授权,批准公司董事自行决定不按比例配发和发行股份(包括根据股票发行授权订立或授予的票据所应发行的股份)的每股发行价格,前提是以依据SGX-ST指示确定的每股加权平均价格计算,该价格的折扣不应超过20%。

[决议案 6]

[见附注(3)]

8. “按公司法第161节,赋予董事会授权在任何时候配发和发行因行使按普威执行人员认股权计划发行的认股权而须发行的股份(包括只要所行使的认股权是在此决议案有效时发行的,即使在行使认股权而须发行股份时,此决议案所赋予的授权已经无效),其条件是按此计划发行的股份总数在任何时候不得超过公司股本中(不包括库存股在内)已发行股份总数的百分之十五(15%)。”

[决议案 7]

[见附注(4)]

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)

9. “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发行普通股，其条件是总数不得超过“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:

(i) 在新加坡证券交易所收购; 以及 / 或

(ii) 场外交易 (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,

此为概括性和无条件授权及核准 (“股票回购授权”)。

按本决议案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要求召开之下届常年股东大会日期 (以较早者为准) 为止 (“有关期间”)。

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须之任何文件之修订、更改和修饰), 以使此决议所预期或授权之交易能够生效。

在本决议案中:

“规定限额”为截至此决议案通过日期、相等于本公司发行普通股份资本之百分之八 (8%) 之发行股份 (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”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以及百分之五溢价之总和 (不包括佣金、印花税、消费税及其它费用); 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。”

[决议案8]

[见附注(5)]

奉董事会令

Chew Kok Liang

Annie Wong Sook Cheng

公司联合秘书

于新加坡

2009年4月8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) 若以个人名义，股东代表委派书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) Dr Allan Yap是公司执行董事兼主席。Lien Kait Long 先生将在获得重选为公司董事后，继续担任提名委员会主席与审核委员会成员，并且依《新加坡交易所上市指南》第704(8)条所规定，被视为独立董事。
- 2) 决议案5若获通过，将授权公司董事自本届会议之日起，至公司下一届常年股东大会、或按法律要求召开的常年股东大会日期、或此授权在股东大会上被本公司撤销之日(以较早之日期为准)，发行股份或订立或授予可转换为股票的票据和根据这类票据发行股份，其总数不得超过公司股本中(不包括库存股在内)已发行股份总数的50%，其中最高20%可不按比例发行给公司现有股东，此外，该50%顶限可根据按比例发行给现有股东的可放弃附加股，增加至公司股本中(不包括库存股在内)已发行股份总数的100%。

在确定可发行累计股份数量时，公司股本中已发行股份的百分比，将根据本决议案获通过之时以及任何随后的股份合并或拆分时因转换或行使票据或任何其它可兑换证券、行使股票认购权或授予股票奖励而发行的未承兑新股份而调整之后，依据在本决议案获通过时公司股本中已发行股份总数(不包括库存股在内)计算。

- 3) 上面所提议的决议案6若获通过，将授权公司董事根据SGX-ST要求确定的每股加权平均价格，以不超过20%的折扣，不按比例配发和发行股份(包括根据股票发行授权订立或授予的票据而应发行的股份)。
- 4) 决议案7若获通过，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发行股票。根据公司于2007年9月28日召开的临时股东大会，发行股份的最高数量或按普威公司执行人员股票认购权计划所发行的最高数量已改为，公司股本中(不包括库存股在内)的已发行股份总数的百分之十五(15%)。
- 5) 决议案8若获通过，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，收购相等于决议案8通过日之不超过本公司发行普通股份资本(不包括由公司持有、作为库存股的任何普通股份)之百分之八(8%)之发行股份，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。

Proxy Form – Annual General Meeting

PSC CORPORATION LTD

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

(COMPANY REGISTRATION NO. 197400888M)

Total Number of Shares held in CDP Register

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)			
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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-Fifth Annual General Meeting of members of the Company (the "Meeting") to be held at 348 Jalan Boon Lay, Singapore 619529 on 24 April 2009 at 10 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.	Re-election of Directors:		
	(a) Dr Allan Yap		
	(b) Mr. Lien Kait Long		
3.	Approval of Directors' Fees		
4.	Re-appointment of Auditors		
	SPECIAL BUSINESS:		
5.	Authority to issue shares		
6.	Authority to issue new shares other than pro-rata at a discount not more than 20%		
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 _____ 2009

Signature(s) or Common Seal of Shareholder

IMPORTANT
PLEASE READ NOTES OVERLEAF



Notes:

- 1) Please insert the total number of shares in the Company held by you, 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.



PSC Corporation Ltd

The Consumer Essentials Group

PSC CORPORATION LTD

348 Jalan Boon Lay

Singapore 619529

Tel : 65 6268 4822

Fax : 65 6266 2607

www.psc.com.sg

Company Registration No.: 197400888M

Incorporated in the Republic of Singapore