

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the “**Board**”) and Management of PSC Corporation Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) place great importance on high standard of corporate conduct to uphold good corporate governance by adhering to the principles and guidelines set out in the Code of Corporate Governance 2018 (last amended on 11 January 2023) (the “**2018 Code**”) and accompanying Practice Guidance. The Board and Management are mindful of the tenets of good governance that includes accountability, transparency and sustainability. The Company believes that embracing such efforts are more likely to engender investor confidence and achieving long-term sustainable business performance.

In accordance with Listing Rule 710 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), this Corporate Governance Statement sets out the Company’s corporate governance practices with specific reference to the principles and the provisions of the Code, which have been adopted based on 2018 Code. The Company believes that it has complied with the spirit and intent of the 2018 Code and where there are deviations from the 2018 Code, the reasons for the deviations are explained accordingly in this report.

## **SECTION (A): BOARD MATTERS**

### **Principle 1: The Board’s Conduct of Affairs**

***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Company is headed by an effective Board, comprising individuals with diversified backgrounds and who collectively brings with them a wide range of experience, to lead and control the Group. The Board is responsible for the overall management and success of the Group. The primary role of the Board is to oversee the Group’s business performance and affairs, and to protect and enhance long-term shareholder value. To fulfil this, apart from its statutory responsibilities, the Board performs the following roles and functions:

- providing entrepreneurial leadership, setting strategic directions and objectives of the Group;
- approving major funding proposals, investment and divestment proposals of the Group;
- reviewing the performance of management by establishing management’s goals and monitoring the achievement of such goals;
- reviewing and endorsing the remuneration framework as may be recommended by the Remuneration Committee;
- supervising management in ensuring that the Company has the necessary resources to meet its goals and establish a framework of prudent and effective controls to assess and manage risks;

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- overseeing the processes of risk management, financial reporting and compliance and evaluates the adequacy of internal controls;
- considering sustainability issues, such as environmental and social factors, as and when necessary, as part of its strategic formulation; and
- assuming the responsibilities for corporate governance.

**Fiduciaries:** All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interests of the Company. The Board puts in place a code of conduct and ethics, and also sets the tone for the Company in respect of ethics, values and desired organisational culture, and ensure proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where Director faces a conflict of interest, he/she would recuse himself/herself from discussions and decisions involving the issues of conflict.

**Induction, Training and Development:** The Directors are provided with extensive background information about the Group's history, mission, values and business operations. The Nominating Committee ensures that all Directors are equipped with the appropriate skills and relevant industry knowledge to perform their roles on the Board and Board Committees effectively.

The Company had arranged for all the Directors to undergo a one-time training on sustainability reporting. All Directors of the Company have attended and completed the sustainability training courses conducted by providers that represent different constituencies in the capital markets in the financial year 2023.

The Directors make visits to the Group's operations and facilities with Management providing explanations, briefings or discussions on key aspects to gain insight for a better understanding of the Group's businesses and operations.

The Company will brief newly appointed Directors of their duties and obligations including the business and organisational structure of the Group and its strategic directions. Such Directors go for site visits of the Group's operating units to familiarise themselves with the Group's business practices. There is no new Director appointed during the financial year.

Directors are updated periodically on industry trends and development of sustainability issues, relevant laws, regulations and changing business risks during Board meetings/committee meetings or at specifically-convened sessions so as to enable them to properly discharge their duties effectively. In the year under review, the Board has been briefed on the compliance and disclosure requirements of the amendments to the Listing Rules of the SGX-ST and accounting standards.

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The Company Secretary and her representatives regularly inform the Directors of any upcoming conferences, training and seminars relevant to their roles as Directors of the Company. The external auditors would update the Audit and Risk Committee and the Board on new and revised accounting standards that are applicable to the Company or the Group annually.

The Directors and key management personnel (“**KMP**”) of the Company are encouraged to attend relevant training programmes, courses, conference and seminars on new laws, regulations and updates on commercial areas conducted by relevant professional organisation from time to time. Changes to regulations and accounting standards are monitored closely by the Management. In order to keep pace with such laws and regulatory changes, the Company will provide and fund the appropriate trainings and development programmes for the Directors and/or KMP of the Company, where relevant.

The Management with the assistance from the Company Secretary and her representatives, assisted Directors in ensuring compliance with their obligations under the relevant rules and regulations, and in the Directors’ professional development. During the financial year ended 31 December 2023, the Directors attended seminars that they find useful to better perform their duties physically and/or through electronic means.

**Matters reserved for the Board:** 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:

- annual budgets and financial plans of the Group;
- approval of the annual and half yearly results announcements;
- approval of the annual report and financial statements;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders’ meetings;
- approval of corporate strategy;
- authorisation of major transactions;
- approval of Board changes and appointments to Board Committees;
- investments and divestments decisions including the Group’s capital commitment; and
- commitments to term loans and lines of credit from banks and financial institutions by the Group.

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While matters relating in particular to the Company's objectives, strategies and policies require the Board's direction and approval, Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

**Board Committees:** To ensure that specific issues are subject to consideration and review before the Board makes its decision, the Board has established a number of Board Committees to assist the Board in carrying out more effectively its oversight function. These Board Committees consist of Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively the "**Board Committees**").

The composition of the Board Committees as at the date of this report are as follows:

<b>Directors</b>	<b>Audit and Risk Committee</b>	<b>Nominating Committee</b>	<b>Remuneration Committee</b>
Chen Seow Phun, John	Chairman	Member	–
Chandra Das S/O Rajagopal Sitaram	Member	Chairman	Member
Tan Kian Chew	Member	–	–
Goi Kok Ming (Wei Guoming)	Member	Member	Member
Lim Swee Say	Member	–	Chairman
Yui Vivien	–	–	Member

These Board Committees function within clear Board approved written terms of reference. Such terms of reference will be reviewed by the Board and Board Committees on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees. The minutes of all Board and Board Committees meetings which provide a fair and accurate record of the discussions and key deliberations and decisions taken during the meetings, are circulated and made available to the Board and Board Committees.

The roles and responsibilities of these Board Committees are set out in subsequent sections of this Corporate Governance Statement of the Company.

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## Board and Board Committees Meetings held in FY2023

**Meetings:** The attendance of the Directors at scheduled meetings of the Board and Board Committees during FY2023 is disclosed below:

Name of Directors	Board	Board Committees		
		Audit and Risk	Nominating	Remuneration
Goi Seng Hui	3/3	2*/2	–	–
Chen Seow Phun, John	2/3	2/2	1/1	1*/1
Chandra Das S/O Rajagopal Sitaram	3/3	2/2	1/1	1/1
Tan Kian Chew	3/3	2/2	–	–
Goi Kok Ming (Wei Guoming)	3/3	2/2	1/1	1/1
Lim Swee Say	3/3	2/2	1*/1	1/1
Yui Vivien	3/3	2*/2	–	1/1

**Note:**

\* Attendance by invitation of the relevant committees

The schedules of the Board and Board Committees meetings are given to all Directors well in advance. The Board meets at least two times in a year. Besides the scheduled half yearly Board meetings, the Board also meets on an ad-hoc basis as warranted by circumstances. Board meetings will be convened when they are deemed necessary, to review the Group's business operations, conduct strategic review of the business affairs and address other specific significant matters that arise.

The Company's Constitution provides for the convening of the Board meetings by way of telephonic, video conferencing or other similar means of electronic communication. The Board also approves material and significant transactions by way of written resolutions which are circulated to the Board together with all relevant and supporting information.

The agendas for meetings during 2023 were prepared in consultation with the Executive Chairman and/or Deputy Chairman and/or the Chairman of the respective Board Committees. The agendas and meeting materials are circulated in advance of the scheduled meetings to the members of the Board and/or Board Committees.

The Directors were appointed based on their experience, stature and potential contribution 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 Board Committee meetings.

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Despite the Directors having multiple board representations, the NC had reviewed the Directorship of the Directors and is satisfied that the Directors are able to ensure that sufficient time and attention are given to the affairs of the Company and have adequately carried out their duties as Directors of the Company after taking into consideration the number of listed company board representations and other principal commitments of the Directors.

The NC and Board agreed that as a guide, the maximum number of the listed company board representations which any Independent Director may hold should not exceed ten, and both the NC and the Board will review and determine the maximum number of listed company board representations as and when they deem appropriate.

**Board Information:** Management provides the Board and Board Committees with relevant, complete, adequate and timely information relating to matters to be brought prior to Board and Board Committee meetings. Management has put in place a procedure for meeting materials to be circulated to the Board and Board Committee or to be submitted at Board and Board Committee meetings.

To give Directors sufficient time to prepare for Board and Board Committee meetings, the agenda, papers and presentation slides are usually circulated to them electronically before the relevant meetings. Directors can access these materials via their personal computers or laptops prior to, during and after meetings. Hard copies of these materials are also distributed to the Directors. Management provides the Board with explanation and information as the Board may require, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. This is to give Directors sufficient time to review and consider the matters to be discussed so that it can be meaningful and productive. The Board is also apprised of any significant developments on business initiatives, industry developments and regulatory updates.

Presentation is made to the Directors at the Board meeting on budgets, forecasts and variances. In respect of budgets, any material variance between the projections and actual results would be disclosed and explained during the meeting. Directors are also informed of any significant developments or events relating to the Group. The external consultants engaged on specific projects are invited to brief the Board during the Board meeting. The Board and Board Committees have unfettered access to information which the Company is in possession of or has access to, for the purpose of carrying out their responsibilities. However, sensitive matters may be table at the meeting itself or discussed without any papers being distributed.

The Management ensures that any information or materials requested by the Directors to make informed decisions will be provided in a timely manner.

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**Board's access:** The Directors have separate and independent access to the advice and services of the Management, Company Secretary, the KMP and external advisers (where necessary) at the Company's expense at all times. Furthermore, there is no restriction of access to the KMP when the Directors have to carry out their duties. As a matter of good corporate governance practice, the role of the Company Secretary has been clearly defined.

The Company Secretary and her representatives attend to corporate secretarial administration matters. They assist the Board and Management in implementing and strengthening corporate governance policies and procedures. The Company Secretary and her representatives ensure that Board procedures are properly followed. They prepare the agenda for Board and Board Committee meetings in consultation with the Executive Chairman and/or Deputy Chairman and the respective Board Committees Chairman, and attended Board and Board Committee meetings during the financial year. The appointment and removal of the Company Secretary is subject to the Board's approval.

The Directors, whether as a group or individually, may seek and obtain independent professional advice in the furtherance of their duties, the expenses of which are borne by the Company.

## Principle 2: Board Composition and Guidance

***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

**Board Composition:** As at the date of this report, the Board consists of seven Directors of whom the Executive Chairman, two Non-Executive and Non-Independent Directors and four Non-Executive and Independent Directors:

Name of Director	Designation	Date of First Appointment as Director	Date of last re-election as Director	Present Directorships in other listed companies	Past Directorships in listed companies held over the preceding three years
Goi Seng Hui	<ul style="list-style-type: none"> <li>Executive Chairman</li> </ul>	8 March 2021	28 April 2023	<ul style="list-style-type: none"> <li>Envictus International Holdings Limited (Vice Chairman)</li> <li>GSH Corporation Limited (Executive Chairman)</li> <li>JB Foods Limited (Vice Chairman)</li> <li>Tat Seng Packaging Group Ltd (Executive Chairman)</li> <li>Tung Lok Restaurants (2000) Ltd (Non-Executive and Non-Independent Director)</li> </ul>	–

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<b>Name of Director</b>	<b>Designation</b>	<b>Date of First Appointment as Director</b>	<b>Date of last re-election as Director</b>	<b>Present Directorships in other listed companies</b>	<b>Past Directorships in listed companies held over the preceding three years</b>
Chen Seow Phun, John	<ul style="list-style-type: none"> <li>Deputy Chairman, Non-Executive and Independent Director</li> <li>Chairman of Audit and Risk Committee</li> <li>Member of Nominating Committee</li> </ul>	9 June 2003	29 April 2021	<ul style="list-style-type: none"> <li>Cosco Shipping International (Singapore) Co Ltd</li> <li>Matex International Limited (Non-Executive Chairman and Independent Director)</li> <li>OKP Holdings Limited (Lead Independent Director)</li> <li>Pavillon Holdings Ltd. (Executive Chairman)</li> <li>Tat Seng Packaging Group Ltd (Deputy Chairman, Non-Executive and Independent Director)</li> <li>Sinostar Pec Holdings Limited (Lead Independent Director)</li> </ul>	<ul style="list-style-type: none"> <li>Hong Lai Huat Group Limited (Independent Director)</li> <li>Fu Yu Corporation Limited (Non-Executive Chairman and Independent Director)</li> <li>Hiap Seng Engineering Ltd (Lead Independent Director)</li> </ul>
Chandra Das S/O Rajagopal Sitaram	<ul style="list-style-type: none"> <li>Non-Executive and Independent Director</li> <li>Chairman of Nominating Committee</li> <li>Member of Remuneration and Audit and Risk Committees</li> </ul>	5 May 2021	28 April 2022	<ul style="list-style-type: none"> <li>Talkmed Group Limited (Non-Executive Chairman and Independent Director)</li> </ul>	<ul style="list-style-type: none"> <li>Yeo Hiap Seng Ltd (Non-Executive and Independent Director)</li> </ul>
Tan Kian Chew	<ul style="list-style-type: none"> <li>Non-Executive and Non-Independent Director</li> <li>Member of Audit and Risk Committee</li> </ul>	5 May 2021	28 April 2022	<ul style="list-style-type: none"> <li>Japfa Ltd. (Non-Executive and Independent Director)</li> </ul>	–



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<b>Name of Director</b>	<b>Designation</b>	<b>Date of First Appointment as Director</b>	<b>Date of last re-election as Director</b>	<b>Present Directorships in other listed companies</b>	<b>Past Directorships in listed companies held over the preceding three years</b>
Goi Kok Ming (Wei Guoming)	<ul style="list-style-type: none"> <li>• Non-Executive and Non-Independent Director</li> <li>• Member of Nominating, Remuneration and Audit and Risk Committees</li> </ul>	10 August 2012	28 April 2023	<ul style="list-style-type: none"> <li>• GSH Corporation Limited (Executive Director)</li> <li>• Union Steel Holdings Limited (Non-Executive Director)</li> <li>• Serial System Ltd (Non-Executive Director)</li> </ul>	–
Lim Swee Say	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> <li>• Chairman of Remuneration Committee</li> <li>• Member of Audit and Risk Committee</li> </ul>	1 May 2022	28 April 2023	<ul style="list-style-type: none"> <li>• Tat Seng Packaging – Group Ltd (Non-Executive and Independent Director)</li> <li>• Ho Bee Land Limited (Lead Independent Director)</li> <li>• Singapore Telecommunications Limited (Non-Executive and Independent Director)</li> </ul>	–
Yui Vivien	<ul style="list-style-type: none"> <li>• Non-Executive and Independent Director</li> <li>• Member of Remuneration Committee</li> </ul>	1 July 2022	28 April 2023	–	–

Profiles of the Directors are found in the “**Board of Directors**” section of the Annual Report.

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**Board Independence:** The Board assesses the independence of each Director in accordance with the guidance provided in the 2018 Code. The criteria for independence are based on the definition given in Provision 2.1 of the 2018 Code. As at the date of this report, the Board has four Non-Executive and Independent Directors whose independence has been reviewed by the NC.

The NC reviews annually, and as and when circumstances require, if a Director is independent. Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his/her independence based on the Listing Rules of the SGX-ST, Principles and Provisions as set out in the 2018 Code.

None of the Non-Executive and Independent Directors and their immediate family member are a substantial shareholder of or partner in or an executive officer of or a director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or materials services aggregated over any financial year in excess of S\$50,000 (to an individual) or S\$200,000 (to a firm), which may include auditing, banking, consulting and legal services, in the current or immediate past financial year.

Save for Dr Chen Seow Phun, John ("**Dr John Chen**") (who has served on the Board beyond nine years and had sought approval from the shareholders in the annual general meeting of the Company held on 29 April 2021 of his continued appointment as Independent Director pursuant to Rule 210(5)(d)(iii) of the Listing Rules of SGX-ST), none of the Independent Director has served on the Board beyond nine years from the date of his/her appointment. Notwithstanding that Dr John Chen has served the Board beyond nine years, the NC with the concurrence of the Board, is satisfied that Dr John Chen has been able to objectively guide and oversee the Management of the Group, provide the check and balance and exercise an independent business judgement to the best interests of the Group. Dr John Chen had abstained from the discussions relating to the review of his independence, and being member of the NC has abstained from voting on any resolution in relation to his independence.

Similarly, the NC has reviewed the independence status of the Independent Directors for FY2023, and is satisfied that Mr Chandra Das S/O Rajagopal Sitaram ("**Mr Das**"), Mr Lim Swee Say ("**Mr Lim**") and Ms Yui Vivien ("**Ms Yui**") are independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of SGX-ST. As NC members, Dr John Chen and Mr Das have abstained from participating in the discussion and voting on any resolution in relation to their independence.

With the removal of Rule 210(5)(d)(iii) of the Listing Rules of SGX-ST on 11 January 2023, Dr John Chen has expressed his intention not to seek for re-election at the forthcoming Annual General Meeting ("**AGM**"). In view of the retirement of Dr John Chen, the Board has reviewed its present size and composition, and with the recommendation of the NC, have recommended the appointment of Mr Tan Lye Heng Paul ("**Mr Paul Tan**") (subject to shareholders' approval) as the Non-Executive and Independent Director, Chairman of ARC and a member of NC. The NC is satisfied that Mr Paul Tan is independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of the SGX-ST.

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As at the date of this report, Dr Goi Seng Hui (“**Dr Goi**”), Dr John Chen and Mr Lim sit on the board of Tat Seng Packaging Group Ltd (“**Tat Seng**”), a listed subsidiary of the Company. The Board believes that their directorships in Tat Seng have not and will not interfere, or be reasonably perceived to interfere, with their ability to exercise independent judgement and act in the best interest of the Company. In addition, having gained in-depth understanding of the business and operating environment of the Group, they provide much needed experience and knowledge of the industry.

**Independent Directors:** The composition of the Board in FY2023 complies with Provision 2.2 of the 2018 Code as Independent Directors make up a majority of the Board where the Chairman is not independent.

**Non-Executive Directors:** The current board composition complies with Provision 2.3 of the 2018 Code where Non-Executive Directors make up a majority of the Board, in terms of character and judgement, objectivity on issues deliberated is assured.

Matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively without any individual or small group of individuals influencing or dominating the process.

**Board size:** The size and composition of the Board is reviewed on annual basis by the NC 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 Board also regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what is considered an appropriate size for itself taking into account the scope and nature of the Company’s operation.

**Board diversity:** The Board consists of Directors with diverse expertise and experience in business management, accounting, legal, banking and financial, IT, engineering, economics and industry knowledge. They are capable in exercising objective and independent judgment on the corporate affairs of the Company. In concurrence with the NC, the Board is of the view that the current board members have the appropriate structure, size, diversity and composition to provide effective guidance and make decisions in the best interests of the Group. In terms of age diversity, the composition of the board comprises of members in their fifties to eighties. The current board composition reflects a diversity of age, skills and knowledge in FY2023.

The Board has adopted a Board Diversity Policy on 9 November 2018 (revision made on 17 September 2021) to assist the NC and the Board in identifying prospective candidates for Directorship that meet the criteria as determined by the NC and that support the diversity’s objectives. The Board Diversity Policy promotes the diversity among the Directors in order to improve performance. This diversity includes the range of skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the board members.

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The Company recognises that an effective board requires Directors to possess not only integrity, commitment, relevant experience, qualifications and skills in carrying out their duties effectively but also include diverse background towards promoting good corporate governance.

In identifying qualified candidates for nomination to the board, the NC will consider prospective candidates based on merit, having regard to their character, competencies, expertise, skills, track record, background and other qualities as being important in fostering a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. The NC is mindful of related regulatory requirements (including the Listing Rules issued by the SGX-ST, Companies Act 1967 and the 2018 Code), and will give due consideration to characteristics, such as gender, age, ethnicity and geographic representation, which contribute to board diversity.

The NC may, in addition to conducting its own search and selection process, engage qualified independent advisors to assist in identifying prospective candidates for directorship that meet the criteria as determined by the NC and that support the Company's diversity objectives.

The Board has established that at least 10% of the total number of board seats be reserved for women. In terms of age diversity, the composition of the board comprises Directors from different age group. The NC will review these objectives when necessary and recommend changes to the Board Diversity Policy, as appropriate.

In implementing the Board Diversity Policy, the NC will take into account the Company's diversity objectives and the diverse nature of the business environment in which the Company operates whilst maintaining flexibility to address succession planning and to ensure that the Company continues to attract and retain qualified individuals to serve on the Board.

As the NC has assessed the current level of diversity on the Board to be satisfactory, the Company generally does not set concrete timeline for achieving board diversity targets. Instead, the Company takes the approach that maintaining a satisfactory level of diversity as an ongoing process. The targets to achieve diversity on the Board are assessed from time to time, based on the composition of the Board and operations of the Group at the relevant time.

Adherence to the Board Diversity Policy will form part of the annual performance of the Board and/or the Board Committees of the Company. The Board Diversity Policy shall be read in conjunction with the prevailing terms of reference of the NC.

**Regular meetings for Independent Directors:** Directors and Management discuss and debate issues at Board meetings. Non-executive and Independent Directors are kept apprised of the Group's business (which include financial highlights, operational performance indicators and key risks monitoring indices) at the meeting. During the Board Meeting for year-end results deliberation held on 28 February 2024, a private session among the Non-Executive and Independent Directors without the Executive Director and Management's presence was scheduled to review the performance and effectiveness of Management and feedback was thereafter provided to the Executive Director and Management.

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## Principle 3: Chairman and Chief Executive Officer (“CEO”)

***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.***

There is a distinct separation of responsibilities between the Chairman and the Chief Executive Officer (“CEO”), to ensure that there is an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. Dr Goi is the Executive Chairman of the Company. Presently, he is subsuming the duties and responsibilities of the CEO in terms of overseeing, planning, directing, controlling the activities; and to developing and executing the Group’s strategies and business objectives. To assist the Executive Chairman, Ms Koh Poh Yeok (“Ms Koh”), the Chief Financial Officer of the Company is responsible for the overall daily operations, strategic growth and business development of the Group. On 19 February 2024, the Company has appointed Mr Ivan Chua Kim Boon (“Mr Ivan Chua”) as the Chief Operating Officer (“COO”) of the Company. Mr Ivan Chua is subsuming the executive duties and responsible in the growth and development of the Group. The NC in consultation with the Board, had taken steps to source for a suitable candidate and shall determine the selection criteria for the position of CEO based on the relevant skills, knowledge and industry experiences.

As the Executive Chairman, Dr Goi provides close oversight, guidance, advice and leadership to the Management. His responsibilities include:

- determining the Group’s strategies;
- with the assistance of the Company Secretary and her representatives, scheduling of meetings to enable the Board to perform its duties while not interfering with the flow of the Group’s operations;
- with the assistance of the Company Secretary and her representatives, approving the meeting agenda of the Board and ensures adequate time is available for discussion of all agenda items;
- with the assistance of the Company Secretary and her representatives, ensuring that Board meetings are held when necessary;
- facilitating effective contributions from the Non-Executive and Independent Directors and encouraging constructive relationships within the Board and between the Board and the Management;
- exercising control over the quality, quantity and timely flow of information from the Management to the Board, promoting effective communication with the Company’s shareholders;
- ensuring fostering constructive and effective communication with shareholders; and
- promoting high standards of corporate governance with full support of the Directors and the Management.

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The Independent Directors make up majority of the Board and exercise objective judgement on corporate matters impartially, thus ensuring a balance of power and authority. All decisions are made in consultation with the Board and the Board is of the opinion that the process of decision making by the Board has a strong independent element and provides for collective decisions without any individual or small group of individuals dominating the Board's decision making.

**Lead Independent Director:** Under the 2018 Code, the Board should have a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Notwithstanding the Company does not have a Lead Independent Director, the Board is of the view that with the majority of Independent Directors, shareholders who have concerns could seek to approach them where contact through the normal channels of the Executive Chairman has failed to resolve or such contact is inappropriate.

In view of the above, the Board is cognizant of the variation from Provision 3.3 of the 2018 Code and would be taking steps to comply with the 2018 Code as soon as it is practicable.

Notwithstanding that the Company does not have a Lead Independent Director, the Board is of the view that there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

In view that the Executive Chairman and the Non-Executive Director, Mr Goi Kok Ming (Wei Guoming) ("**Mr Kenneth Goi**") are immediate family members, the Company has appointed Non-Executive and Independent Directors who form a majority of the Board and Board Committees. Major proposals and decisions made by the Board are subject to majority approval by the members of the Board and reviewed by the relevant Board Committees.

Dr Goi and Mr Kenneth Goi will recuse themselves where either has a material personal interest. In such cases, deliberations would be led by the Deputy Non-Executive and Independent Chairman. Upon both their recusal, the remaining Non-Executive Director and Independent Directors would decide such matters and would be in a strong position to safeguard the interests of the Company, especially when there is a conflict of views.

The NC conducts annual board performance appraisal including review of any changes to the Board members. On the other hand, remuneration packages are reviewed periodically by the RC. The Board believes that there are adequate safeguards to ensure an appropriate balance of power and authority within the spirit of good corporate governance. In addition, all Directors take decisions objectively and in the interests of the Company.

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## Principle 4: Board Membership

***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

**Nominating Committee composition:** As at the date of this report, the NC comprises three members, majority of whom are independent:

Mr Chandra Das S/O Rajagopal Sitaram (Chairman, Non-Executive and Independent Director)

Dr Chen Seow Phun, John (Member, Non-Executive and Independent Director)

Mr Goi Kok Ming (Wei Guoming) (Member, Non-Executive and Non-Independent Director)

The NC Chairman has no relationship (direct or indirect) with the Company, its related corporations, its five percent shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement in the best interest of the Company.

The terms of reference of the NC provides that NC shall comprise at least three members of the Board, the majority of whom, including the Chairman of the NC shall be Independent Directors.

**Nominating Committee role:** The principal responsibilities of the NC are set out in the terms of reference and its key functions include:

- To review succession plans for Directors, in particular make recommendations to the Board on the appointment and/or replacement of the Chairman, CEO, KMP, Non-Executive and Independent Directors and Alternate Directors (if applicable).
- To regularly review the board structure, size and composition having regard to the scope and nature of the operations and the core competencies of the Directors as a group. The NC shall make recommendations to the Board with regards to any adjustments that are deemed necessary.
- To establish and review the criteria on the determination of the maximum number of directorships of listed companies any Director may hold.
- To decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations and other principal commitments.

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- To identify gaps in the mix of skills, experiences and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill in these gaps.
- To review, assess and recommend nominee(s) or candidate(s) for appointment or election to the Board, having regard to his/her qualifications, competencies, other principal commitments and whether or not he/she is independent and in the case of re-nomination, to his/her contribution and performance.
- To determine, on an annual basis, if a Director is independent bearing in mind the circumstances set forth in the Listing Rules of the SGX-ST and the 2018 Code.
- To make recommendations on the re-appointment to the Board for the continuation (or not) in services of an Independent Director who has served for an aggregate period of more than nine years for re-election in a general meeting.
- To recommend Directors who are retiring by rotation to be put forward for re-election and to conduct rigorous review and determine whether an Independent Director who has served the Board for a period of nine years since his/her date of appointment, can still remain independent.
- To review training and professional development programs for the Board and to ensure that all board members undergo an appropriate induction programme, where applicable.
- To assess the effectiveness of the Board as a whole, its Board Committees and the contribution of each Director to the effectiveness of the Board.

The Chairman of the NC acts on the results of the performance evaluation and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

**Director appointment and re-appointment:** In appointing Directors, the Board considers the range of skills and experiences 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
  - the need for independence
-



# CORPORATE GOVERNANCE STATEMENT

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment and re-appointment of Directors, making recommendations for Directors who are due for retirement by rotation to seek re-election at a general meeting and determining the independent status of each Director.

When a vacancy exists, the NC 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 NC will interview the candidates and assess them based on the criteria as set out in the Board Diversity Policy. The NC will make recommendation to the Board on the appointment. The Board appoints the most suitable candidate who must stand for re-election at the next AGM of shareholders. Particulars of interests of Directors who held office at the end of the financial year in the capital of the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement. The details of the new Director seeking for appointment are found in Table A set out on page 68 to page 71 of this Annual Report.

In accordance to Regulation 87 of the Constitution of the Company provides 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 greater 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, candour and any other factors as may be determined by the NC. The details of the retiring Directors seeking for re-election are found in Table A set out on page 68 to page 71 of this Annual Report.

The NC is also responsible to determine the independence of Directors annually by taking into account the circumstances set forth in the 2018 Code and any other salient factors. In considering the independence of an Independent Director who has served on the Board beyond nine years, the NC has taken into consideration the following factors:

- (i) Changes to the composition of the Board and Board Committees in FY2023;
- (ii) The extensive knowledge and experience contributed by the Independent Directors to the Company;
- (iii) The attendance, preparedness, participation and contribution in the meetings of the Board and Board Committees;
- (iv) Provision of continuity and stability to the Management at the board level by facilitating smooth communication between the Management;
- (v) Provision of reasonable checks and balances for the Management;

# CORPORATE GOVERNANCE STATEMENT

- (vi) The Independent Directors have devoted adequate attention and sufficient time to the affairs of the Group; and
- (vii) The Independent Directors provide overall guidance to the Management and acts as safeguard for the protection of Company's assets and shareholders' interests.

The Board and the NC had developed a process of evaluation of performance of the Board and Board Committees and individual Directors through establishment of quantifiable performance criteria. The evaluation performance checklist is drawn up based on the Practice Guidance provided in the 2018 Code.

Taking into account, among others, the Directors' participation during and outside the formal Board and Board Committees meetings as well as other contributions, the Board has accepted the NC's nomination of the retiring Directors, who have given their consent for re-election at the forthcoming AGM of the Company. The retiring Directors are Dr John Chen, Mr Das and Mr Tan Kian Chew ("**Mr Tan**") who will retire pursuant to Regulation 87 of the Constitution of the Company (the "**Retiring Directors**"). The Retiring Directors, being eligible, have offered themselves for re-election at the forthcoming AGM to be held on 25 April 2024. Dr John Chen, while eligible for re-election, has expressed his intention not to seek for re-election at the forthcoming AGM. The Board with the recommendation of the NC have recommended the proposed appointment of Mr Paul Tan as the Non-Executive and Independent Director of the Company for the shareholders' approval at the forthcoming AGM. Following his appointment, Mr Paul Tan will also be appointed as Chairman of ARC and a member of NC of the Company.

**Multiple directorships:** The NC is responsible for reviewing the ability of the Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The NC requires each Director to declare any additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitments, attendances and contributions of the Directors to the Company. The NC is satisfied that the other directorships and principal commitments of the Directors had not hindered them from carrying out their duties as Directors of the Company.

The NC and Board agreed that as a guide, the maximum number of the listed company board representations which any Independent Director may hold should not exceed ten, and both the NC and the Board will review and determine the maximum number of listed company board representations as and when they deem appropriate.

In respect of disclosure of each Director on the listed company directorships and other principal commitments are set out in page 35 to page 37 of this Annual Report.

**Alternate Directors:** Currently, the Company does not appoint any Alternate Director.

# CORPORATE GOVERNANCE STATEMENT

## Principle 5: Board Performance

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

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 interest 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.

Based on the recommendations of the NC, the Board has an annual performance evaluation process, carried out by the NC, to assess the effectiveness of the Board, Board Committees and each Director's contributions. This annual assessment process consists principally of evaluation by and feedback from each Director.

- (a) *Assessment of the effectiveness of the Board as a whole* – The NC uses an objective performance criteria to conduct Board assessments via the circulation of assessment evaluation forms to the Directors annually 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 NC has reviewed and is satisfied with the performance and effectiveness of the Board as a whole for FY2023.
- (b) *Assessment of the effectiveness of the Board Committees* – The NC has implemented and carried out a process through the circulation of assessment evaluation forms to assess the effectiveness of the respective Board Committees annually. The NC has recommended that the members of the respective Board Committees complete the evaluation form adopted by the NC. The results of the Board and Board Committees assessments are reviewed and discussed by the NC and, any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration of the appropriate measures to be taken. The NC has reviewed and is satisfied with the performance and effectiveness of the respective Board Committees for FY2023.
- (c) *Assessment of the contribution of individual Directors to the effectiveness of the Board* – The individual Director's assessments implemented by the NC are based on the Director's self-assessment which is evaluated annually and informally on a continual basis by the NC. The criteria taken into consideration by the NC and the Chairman include contribution and performance based on factors such as attendance, preparedness and participation. The evaluations and any appropriate action to be taken are discussed by the NC. The NC has reviewed and is satisfied with the contribution by individual Directors to the effectiveness of the Board for FY2023.

# CORPORATE GOVERNANCE STATEMENT

The NC is of the view that such assessments by the Directors are useful and constructive and this collective process has provided an opportunity to obtain insightful feedback from each Director on suggestions to enhance the effectiveness of the Board and has helped Directors to be more focused on their duties, responsibilities and contributions to the effectiveness of the Board. The assessments also help the NC to determine whether the Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company.

In general, the selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify the changes. In consultation with the NC, the Board will act on the results of the Board performance and propose, where appropriate, new members to be appointed to the Board or propose changes to the Board.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual Directors. However, if need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

## **SECTION (B): REMUNERATION MATTERS**

### **Principle 6: Procedures for Developing Remuneration Policies**

***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

**Remuneration Committee composition:** As at the date of this report, the RC comprises four members, majority of whom are independent:

Mr Lim Swee Say (Chairman, Non-Executive and Independent Director)

Mr Chandra Das S/O Rajagopal Sitaram (Member, Non-Executive and Independent Director)

Ms Yui Vivien (Member, Non-Executive and Independent Director)

Mr Goi Kok Ming (Wei Guoming) (Member, Non-Executive and Non-Independent Director)

# CORPORATE GOVERNANCE STATEMENT

**Remuneration Committee role:** The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and KMP. The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages for individual Directors and KMP and makes recommendation to the Board on all remunerations. The RC has a formal set of terms of reference approved by the Board. A summary of the RC key functions include:

- reviewing and recommending to the Board a general framework of remuneration for the Board and KMP (including the Executive Chairman, CEO and other persons having authority and responsibility for planning, directing and controlling activities of the Company and Group), and the specific remuneration packages and terms of employment (where applicable) for each Director as well as KMP. The RC's recommendations should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;
- carrying out its duties in the manner that it deems expedient, subject to any regulations or restriction that may be imposed upon the RC by the Board from time to time;
- ensuring that all aspects of remuneration are covered, taking into consideration the Principles and Provisions of the 2018 Code;
- ensuring the remuneration packages of employees related to Executive Chairman, CEO, substantial shareholders and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and are commensurate with their respective job scopes and levels of responsibility; and
- reviewing and recommending to the Board, the terms of renewal of service agreements of Executive Chairman, CEO and/or KMP and ensuring the service agreements contain fair and reasonable termination clauses which are not overly generous in the event of termination.

The RC members are knowledgeable in the field of executive compensation and also have access to independent expert advice from external consultants, where necessary.

**Termination clauses:** The RC has reviewed the fairness and reasonableness of the termination clauses of the service agreements of the Executive Chairman, CEO and KMP. The RC will have access to independent expert advice from external consultants, where necessary. There was no termination of any KMP during FY2023.

# CORPORATE GOVERNANCE STATEMENT

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and KMP which is submitted to the Board for endorsement. The RC reviews recommendations on remuneration policies and packages for Directors and KMP in the interests of improved corporate performance. The RC reviews of remuneration packages takes into consideration pay and employment conditions within the industry and in comparable companies, the Company's relative performance, the performance of the individual Directors and KMP, 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.

The RC's recommendations are submitted to the Board for endorsement. Each member of the Board shall abstain from voting on any resolution concerning or making any recommendation and/or participating in any deliberations of the RC in respect of his/her own remuneration.

**Remuneration experts:** The RC, in considering the remuneration of all Directors, has not sought external advice or appointed remuneration consultants during the financial year.

## **Principle 7: Level and Mix of Remuneration**

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

**Remuneration framework:** The remuneration packages of the Executive Chairman and KMP are determined based on the framework recommended by the RC. In doing so, the RC reviews the length of appointment period, the notice period for termination and the terms of the compensation package in the event of termination of Executive Chairman and KMP's service agreements to ensure that the terms of such clauses are not onerous to the Company. The Executive Chairman and KMP's framework of remuneration includes a fixed element as well as a variable element in the form of bonus and profit-sharing incentive which is linked to the Company's performance. In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance, the performance of the individuals and value creation as enumerated under the 2018 Code.

**Long-term incentives:** The Company has adopted an employee share plan known as "PSC Employee Restricted Share Plan 2022" which was approved by the shareholders at the Extraordinary General Meeting ("**EGM**") on 28 April 2022. The details of PSC Employee Restricted Share Plan 2022 are set out in the Circular to shareholders dated 6 April 2022 and it shall continue in force at the discretion of the Directors, subject to a maximum period of 10 years commencing on the date of adoption.

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# CORPORATE GOVERNANCE STATEMENT

The objectives of PSC Employee Restricted Share Plan 2022 are as follows: (a) to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group; (b) to give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and (c) to make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Group.

PSC Employee Restricted Share Plan 2022 is administered by the Directors with such powers and duties conferred to them by the Board. A Participant who is also a member of the Board of PSC Employee Restricted Share Plan 2022 must not be involved in any deliberation or decision in respect of the awards granted to or held by the Participant.

As at the date of this report, the Company had not granted awards to any employee and Directors under PSC Employee Restricted Share Plan 2022.

**Non-Executive and Independent Directors remuneration:** Save for Mr Tan, who is a Non-Executive and Non-Independent Director, with an advisory fee of S\$150,000 in FY2023, other Non-Executive and Independent Directors have no service agreements with the Company. They are paid Directors' fees, with additional fees paid for serving as the Chairman or members of Board Committees. These fees are recommended by the RC and submitted to the Board for endorsement. Directors' fees are recommended by the Board for approval at the Company's AGM. The remuneration of Non-Executive and Independent Directors should be appropriate to the level of contribution and in accordance to the Directors' fees framework adopted by the RC, taking into account factors such as effort and time spent, and responsibilities of the Directors. The Non-Executive and Independent Directors should not be over-compensated to the extent that their independence may be compromised and no Director is involved in deciding his/her own remuneration.

**Contractual provisions to reclaim incentives:** The RC is of the view that the variable component of the remuneration packages of the Executive Chairman and KMP, where applicable are moderate. Although the Company did not institute contractual provisions in the service agreements or agreements to reclaim incentive components of remuneration paid in prior years from the Executive Chairman, CEO and KMP, the Company is in the process of reviewing the necessity to include such contractual provisions to reclaim such incentive components of remuneration paid in prior years to the Executive Chairman, CEO and KMP where incidents occur in exceptional circumstances such as misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

**Executive Director and Key Management Personnel Remuneration:** The Executive Chairman has a separate formal service agreement with the Company. The service agreement of the Executive Chairman is for a period of three years. This service agreement is subject to review by the RC and provide for termination by either party giving to another a 3-months prior written notice.

# CORPORATE GOVERNANCE STATEMENT

The RC seeks to ensure that the level and mix of remuneration for the Executive Chairman and KMP are competitive, aligned with shareholders' interests and promote the Group's long-term success. The Company adopts a remuneration policy comprising a fixed component, variable cash component and market-related benefits.

## A. Fixed Component

The fixed component comprises the base salary and fixed allowances.

## B. Variable Cash Component

Variable component is given in the form of annual variable bonus or profit sharing, which is linked to the achievement of annual performance targets.

Corporate and individual performance objectives are set at the beginning of each financial year. The objectives are aligned to the Group's overall strategic, financial and operational goals, and are cascaded down to a select group of KMP, creating alignment between the performance of the Group and the individual. Profit sharing is for the Executive Chairman and certain KMP.

During FY2023, there was no termination, retirement or post-employment benefits or other long-term incentives granted to the Directors, the Executive Chairman and KMP.

## Principle 8: Disclosure on Remuneration

***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

**Remuneration disclosure:** The remuneration framework is based on policies which are aligned with Company's interests to support the Group's business with the aim of retaining key capabilities, provide sound and structured funding of remuneration in ensuring affordability and sustainable value creation. Competitive remuneration packages are offered to attract and retain experienced individuals. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principle 7 above.



# CORPORATE GOVERNANCE STATEMENT

Summary compensation table of the Directors receiving remuneration from the Group for the financial year ended 31 December 2023 is set out below:

Director	Base Salary (%)	Bonus (%)	Profit Sharing (%)	Directors' Fee <sup>(1)</sup> (%)	Allowance <sup>(2)</sup> (%)	Total (%)
<b>S\$1,000,001 to S\$1,250,000</b>						
Goi Seng Hui <sup>(3)</sup>	33	3	63	–	1	100
<b>S\$250,000 and below</b>						
Chen Seow Phun, John	–	–	–	100	–	100
Goi Kok Ming (Wei Guoming) <sup>(4)</sup>	–	–	–	100	–	100
Chandra Das S/O Rajagopal Sitaram	–	–	–	100	–	100
Tan Kian Chew	–	–	–	18	82	100
Lim Swee Say	–	–	–	100	–	100
Yui Vivien	–	–	–	100	–	100

**Notes:**

- <sup>1</sup> Directors' fee was approved at the AGM of the Company
- <sup>2</sup> Employer's CPF contribution and other compensation are included
- <sup>3</sup> Including remuneration from its listed subsidiary, Tat Seng Packaging Group Ltd
- <sup>4</sup> Mr Kenneth Goi is the son of Dr Goi (Executive Chairman and substantial shareholder of the Company) and his remuneration is in the form of Directors' fee only

The Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Director and the factors taken into account for the remuneration of the Independent Directors. The Company has decided not to disclose information on the remuneration of the Directors and KMP in dollars terms because of the confidentiality and prevention of upward pressure on remuneration due to market competition. The Company is of the view that the disclosure of the indicative range of the Directors' and KMP's remuneration provides a reasonable amount of information on the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors and KMP.

The RC has reviewed and approved the remuneration packages of the Executive Director and KMP, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Executive Director and KMP are adequately but not excessively remunerated. The RC will consider and deliberate on the performance conditions to which Executive Director's and KMP's entitlement to short term and long-term incentive schemes and will make the necessary disclosures, if any.

# CORPORATE GOVERNANCE STATEMENT

Shareholders' approval will be sought at the forthcoming AGM of the Company on 25 April 2024 for the payment of Directors' fee proposed (to be paid semi-annually in arrears) for the financial year ending 31 December 2024 up to an aggregate of S\$302,500.

There are no employees of the Group who are substantial shareholders of the Company, or are immediate family members of Directors, the CEO or substantial shareholders of the Company and whose remuneration exceed S\$100,000 for the financial year ended 31 December 2023.

Summary compensation table showing the level and mix remuneration of the KMP (who are not Directors or CEO of the Company) receiving remuneration from the Group for the financial year ended 31 December 2023 is set out below:

Director	Base Salary (%)	Bonus (%)	Profit Sharing (%)	Directors' Fee (%)	Allowance <sup>(1)</sup> (%)	Total (%)
<b>S\$2,500,001 to S\$2,750,000</b>						
Loh See Moon	21	2	69	–	8	100
<b>S\$250,001 to S\$500,000</b>						
Cheong Poh Hua	33	3	46	–	18	100
Yeo See Liang	44	4	36	1	15	100
<b>S\$250,000 and below</b>						
Koh Poh Yeok	83	10	–	–	7	100
Ching Yong Hai	79	8	–	–	13	100

**Note:**

<sup>1</sup> Employer's CPF contribution and other compensation are included

The aggregate total remuneration paid to the KMP (who are not Directors or CEO of the Company) for the financial year ended 31 December 2023 was S\$3,790,898.

# CORPORATE GOVERNANCE STATEMENT

## SECTION (C): ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

**Risk governance:** The Board recognises that it is responsible for the overall risk management and internal control framework, but acknowledges that no cost-effective risk management and 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 Board is accountable to the shareholders and announces the Company's half yearly and full year financial results that present a balanced and understandable assessment of the Company's performances, positions and prospects.

The Company believes that prompt compliance with statutory reporting requirements is imperative to maintaining shareholders' confidence and trust. In line with the requirements of the Listing Manual of the SGX-ST, negative assurance statements are issued by the Board in respect of the interim financial statements. For the financial year under review, the Executive Chairman, Chief Financial Officer and Group Financial Controller have provided assurance to the Board on the integrity of the Group's financial statements.

Furthermore, the Company has procured undertakings in the format set out in Appendix 7.7 of all its Directors and executive officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNet, press release and/or posted on the Company's website. The Company's Annual Report is accessible on the Company's website and SGXNet.

The Board is updated with significant events that have occurred or material to the Group during the year. The Management provides the Board with financial updates on the performance and position of the Group to keep Board members informed and updated on a monthly basis to enable the Board effectively discharge their duties.

Risk assessment and evaluation have become an essential part of business planning and monitoring process. The Management having identified the risks to the achievement of the Group's strategic objectives, each business unit is required to document the mitigating actions in respect of each significant risk. Risk awareness and ownership of risk treatments are also continuously fostered across the organisation.

# CORPORATE GOVERNANCE STATEMENT

## **Audit and Risk Committee (“ARC”)**

The Group has put in place the ARC to assist the Board in its oversight of risk governance, risk management framework and policies of the Group. The ARC is regulated by its terms of reference. The ARC helps to ensure that the Management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group.

**Audit and Risk Committee role:** The ARC oversees the risk management framework and policies of the Group and report to the Board. Together with the Management, ARC has established various policies in place including but not limited to (i) Business Continuity Policy, (ii) Succession Planning Policy and (iii) Investment Policies in relation to the Financial Assets Investments and Strategic Investment. These policies are essential part of the business planning and monitoring process.

The meetings of the ARC are attended not only by members but also Management and it serves as a forum to review and discuss material risks and exposures of the Group’s business and the strategy to mitigate risks in general.

The risk management process that is in place covers, *inter alia*, strategic, financial, operational, compliance and information technology risks faced by the Group. Having carefully considered the Risks and Controls Self-Assessment being carried out during the reporting period, the key risks identified are deliberated by Management and reported to the ARC on an annual basis or such other period as may be determined by ARC.

**Annual Review:** The Group has put in place a system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. During the financial year 2023, the Group’s internal auditors, CLA Global TS Risk Advisory Pte. Ltd. assessed the effectiveness of such a system in ensuring that the Company has adequate safeguards as well as an effective robust risk management framework (including policies, procedures and processes) embedded within the Company’s infrastructure that could support the Group’s operations, IT system and financial reporting structure.

**CEO and CFO assurance:** For FY2023, the Board has received assurances from Dr Goi (Executive Chairman), Ms Koh (Chief Financial Officer) and Ms Wong Yuen May (Group Financial Controller) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances.

In addition, the KMP have also given assurance to the Board that the Group’s risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

# CORPORATE GOVERNANCE STATEMENT

**Board's conclusion:** During the course of audit by the internal and external auditors, their recommendations, the various management controls and the reports from the internal and external auditors have been taken into consideration by the Company. The Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls and risk management systems maintained by the Group during the year are adequate and effective as at 31 December 2023.

The Board recognises that the risk management and internal control systems established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also noted that all internal control systems contain inherent limitations and no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

## **Principle 10: Audit Committee**

***The Board has an AC which discharges its duties objectively.***

**Audit and Risk Committee composition:** As at the date of this report, the ARC comprises five members, majority of whom, including the ARC Chairman, are independent. All members, including the ARC Chairman, have relevant accounting or related financial management expertise or experience.

Dr Chen Seow Phun, John (Chairman, Non-Executive and Independent Director)

Mr Lim Swee Say (Member, Non-Executive and Independent Director)

Mr Chandra Das S/O Rajagopal Sitaram (Member, Non-Executive and Independent Director)

Mr Tan Kian Chew (Member, Non-Executive and Non-Independent Director)

Mr Goi Kok Ming (Wei Guoming) (Member, Non-Executive and Non-Independent Director)

The Board ensures that the members of the ARC are appropriately qualified to discharge their responsibilities. The Chairman and members of the ARC possess the requisite accounting and financial management expertise and experience. None of the ARC members is former partner or director of the Company's existing auditing firm or auditing corporation (a) within the period of two years commencing on the date of their ceasing to be a partner of the audit firm or director of the auditing corporation, and (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

**Audit and Risk Committee role:** The ARC'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 ARC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

# CORPORATE GOVERNANCE STATEMENT

The principal responsibilities of the ARC are set out in the terms of reference and its key functions include:

- reviewing the audit plans of the external and internal auditors;
- reviewing the external and internal auditors' reports;
- reviewing the co-operation given by the Company's officers to the external and internal auditors;
- reviewing the adequacy of the internal audit function;
- evaluating the effectiveness of the Group's system of internal controls, including financial, operational and compliance controls, information technology controls, and risk management, by reviewing written reports from internal and external auditors, and Management responses and actions to correct any deficiencies;
- reviewing the financial statements of the Company and the Group before their submission to the Board;
- reviewing 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;
- nominating external auditors for appointment or re-appointment and approve the remuneration and terms of engagement of the external auditors;
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual of SGX-ST, and by such other amendments made thereto from time to time;
- reviewing interested person transactions (as defined in Chapter 9 of the Listing Manual of the 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; and
- reviewing whistleblowing policy and arrangements.

Apart from the duties listed above, the ARC 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 or 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.

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# CORPORATE GOVERNANCE STATEMENT

The ARC 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, information technology controls and risk management, is conducted at least annually. Such reviews 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 risk management and internal controls of the Group.

**Internal Audit function:** The ARC selects and approves the appointment of internal auditors. The Group has outsourced its internal audit function to CLA Global TS Risk Advisory Pte. Ltd. ("**Internal Auditors**") since 2018. The Internal Auditors serves to provide the Board and Management with an independent appraisal in terms of the reliability, adequacy and effectiveness of the internal controls established by Management. The aim is to promote internal control in the Group and to monitor the performance and the effective application of internal audit procedures. Apart from this, Internal Auditors supports the ARC and the Board in assessing key internal controls through a structured review programmed. The Internal Auditors has unfettered access to the Board, the ARC and Management, where necessary, and has the right to seek information and explanations.

**Review of Internal Audit function:** The ARC is satisfied that, though the Internal Audit function has been outsourced, it is adequately and effectively managed by persons with the relevant qualifications and experiences. The Internal Auditors has provided a confirmation of their independence to the ARC.

The Internal Auditors reports functionally to the Chairman of the ARC. On an annual basis, ARC assesses the effectiveness of the Internal Audit function 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.

# CORPORATE GOVERNANCE STATEMENT

During the year, the summary of key internal audit findings, recommendations and Management's related responses were discussed at the ARC meetings. The ARC ensures that procedures are in place to follow up on the recommendations by Internal Auditors in a timely manner and to monitor any outstanding issues.

**Internal Audit resources and experiences:** The ARC is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Company and the Group. Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

The Internal Auditors plans its internal audit schedules in consultation with, but independent of, the Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit field work. Internal Auditors has direct and primary reporting line to the ARC and assist the ARC in overseeing and monitoring measures that have been implemented to detect and correct internal control weaknesses that have been identified.

**Internal Audit standards:** The ARC has reviewed and approved the annual internal audit plan FY2023 and is satisfied that the internal audit has been adequately and effectively carried out in line with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The ARC reviews the activities of the internal audit on a regular basis, including overseeing and monitoring the implementation of the improvement required on internal control weaknesses that have been identified.

**Summary of Audit Committee activities:** The ARC met two times in the financial year ended 31 December 2023 and the Executive Chairman, Chief Financial Officer and Group Financial Controller were invited to attend the meetings, as and when necessary. The ARC also meets from time to time with the Group's external and internal auditors and the Management to review accounting, auditing and financial reporting matters to provide the necessary checks and balances to ensure that an effective control environment is maintained within the Group.

The ARC continuously studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention indicating that the system of internal controls and risk management is inadequate.

The ARC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

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# CORPORATE GOVERNANCE STATEMENT

Changes to accounting standards and accounting issues which have significant impact on the financial statements were reported to the ARC, and highlighted by the external auditors in their meetings with the ARC.

With the introduction of the new and revised Audit Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters (“**KAM**”) in the Independent Auditors’ Report of the annual reports. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts. For more information on the KAM, please refer to page 76 to page 78 of this Annual Report.

The ARC has discussed the KAM for FY2023 with Management and the external auditors. The ARC concurs with the basis and conclusions included in the Independent Auditors’ Report with respect to the KAM in the Annual Report.

**Auditors:** The ARC meets annually with the internal auditors and the external auditors, without the presence of the 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 ARC also makes recommendations on the appointment, re-appointment of external auditors and their remuneration. The ARC’s recommendations are submitted to the Board for endorsement.

The ARC had reviewed all the non-audit services carried out by the external auditors to the Group and confirmed that such services would not, in its opinion prejudice the independence and objectivity of the external auditors. The fees that are charged to the Group by the external auditors for audit and non-audit services were approximately S\$644,000 and S\$92,000 respectively for the financial year ended 31 December 2023.

The ARC has undertaken a review of the service, scope, independence and objectivity of the external auditors. KPMG LLP, the external auditors of the Company, has confirmed that they are a Public Accounting Firm registered with Accounting & Corporate Regulatory Authority (“**ACRA**”) and provided a confirmation of their independence to the ARC. Apart from this, the ARC also received feedback from Management on their evaluation of the performance and effectiveness of the work of the external auditors. During the year, the ARC reviewed the performance of the external auditors by referencing to the Audit Quality Indicators Disclosure Framework published by ACRA. Having assessed the external auditors based on its own interactions with the external auditors, Management’s evaluation and on factors such as performance and quality of their audit partners and auditing team, their overall qualification and their independence status, the ARC is satisfied that KPMG LLP is able to meet the audit requirements and statutory obligation of the Company.

Accordingly, KPMG LLP is recommended for re-appointment as the Company’s external auditors at the forthcoming AGM.

# CORPORATE GOVERNANCE STATEMENT

Furthermore, ARC noted that in appointing the external auditors of the Company, its subsidiaries and significant associated companies, it is satisfied that the appointment of auditors did not compromise the standard and effectiveness of the audit of the Group. Therefore, the Company has complied with Rules 712 and 715 of the Listing Manual of SGX-ST.

**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 statements, financial reports and records of the Company.

Demonstrating its pledge to good corporate governance, the Group provides an avenue for employees to raise their concerns to report any possible improprieties in matters of financial reporting or other matters that they may encounter to the ARC or any other committees established by the ARC 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. The Group has designated an independent function to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment.

There were no reported incidents pertaining to whistle-blowing for FY2023. The whistle-blowing policy can be found at the Company's website at the URL <http://www.psccorporation.com/whistle-blowing-policy/>.

## SECTION (D): SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

**Shareholder rights:** In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Company is committed that all shareholders should be equally informed of all major developments of the Group which would be likely to materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure as all material and price-sensitive information is released through SGXNet and the Company recognises that regular, effective, timely and fair communication with shareholders is essential to enable its shareholders to make informed decisions about the Company.

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# CORPORATE GOVERNANCE STATEMENT

The information is disseminated to shareholders of the Company on a timely basis through:

- annual reports that are prepared and accessible to all shareholders on the Company's website. Since FY2018, hard copies of all annual reports and/or shareholders' circulars shall only be sent to shareholders upon specific requests by them for it. This will not only prevent unnecessary cutting down of trees, but also allow us to preach what we practice as part of the efforts to reducing reliance on paper;
- 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;
- half yearly and full year results announcements containing a summary of the financial information and affairs of the Group;
- notices of and explanatory memoranda for AGM and/or Extraordinary General Meeting (if applicable);
- press releases on major developments of the Company and the Group;
- disclosures to the SGX-ST; and
- the Company's website at the URL <http://www.psccorporation.com> where the shareholders can access information on the Group.

All registered shareholders are invited to participate at shareholders' meetings.

The Company disseminates information on general meetings through notices in its annual reports or circulars (if required) to all its shareholders where rules governing meetings of shareholders are properly and clearly enumerated in accordance with the Companies Act 1967, Constitution of the Company and Listing Rules of the SGX-ST, where applicable. These notices are also released via SGXNet and published in local newspapers ahead of the meetings to give ample time for shareholders to review the documents. The annual reports and circulars (if required) may also be viewed on the Company's website.

**Voting procedure:** The Constitution of the Company allows (a) each shareholder who is not a relevant intermediary (as defined in the Companies Act 1967) the right to appoint up to two proxies and (b) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. Voting in absentia by email, mail or fax is not implemented due to authentication of the shareholders' identity and other security and integrity related concerns.

# CORPORATE GOVERNANCE STATEMENT

The Company conducts its electronic poll voting at shareholders' meeting for greater transparency in the voting process. The total number of votes cast for or against each resolution is tallied and displayed live on-screen to shareholders immediately after the vote has been cast and is also announced after the meetings via SGXNet.

The Company anticipates that the forthcoming 50th AGM of the Company to be held in respect of FY2023 will be convened and held physically. The notice of the AGM is announced via SGXNet within the mandatory period prior to the meetings (or as otherwise disseminated in accordance with such laws and regulations as may be applicable), together with explanatory notes, appendices or a circular on items of special business, at least fourteen days before the meeting for ordinary resolutions and/or twenty-one days before the meeting for special resolutions. Board members, Senior Management and the Company Secretary were present and available to address questions from shareholders at general meetings. Furthermore, the external auditors were also invited to attend the AGM and are available to assist the Board in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation of content of the auditor's report.

**Resolutions:** Every matter requiring shareholders' approval is proposed as a separate resolution at the general meeting to address each distinct issue and all the resolutions to vote by poll. The Company has implemented the system of voting by poll at its upcoming AGM. Results of each resolution put to vote at the AGM with the detailed voting results, including the total number and/or percentage of votes cast for or against each resolution tabled in the AGM, will be announced immediately at the end of each AGM and via SGXNet after market close.

**Minutes of general meetings:** The Company Secretary and her representatives prepare minutes of general meetings that include substantial and relevant queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. Minutes of the AGM will be released via SGXNet as soon as practicable and are available to shareholders upon their request. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to the shareholders.

**Dividend Policy:** The Company has put in place a written dividend policy. Although declaring and recommending dividend are not fixed, the policy is to recommend dividends consistent with the Company's objective, *inter alia* of maximising shareholders' value.

Dividend payments are affected by internal and external factors such as level of the Company's earnings, results of operations, capital requirements, cash flows, financial conditions, plans for expansion, general political, economic and business conditions including legal or contractual restrictions that may impact the Company from time to time and matters which the Board may act in the best interest of the Company.

The Board will carefully consider and evaluate the aforementioned before proposing any dividend.

In compliance with Rule 704(24) of the Listing Rules of SGX-ST, in the event that the Board decides not to declare or recommend a dividend, the Company is mindful to disclose the reason(s) for the decision together with the announcement of the financial statements.

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# CORPORATE GOVERNANCE STATEMENT

## Principle 12: Engagement with Shareholders

*The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

**Communication:** The Company recognises the importance of actively engaging with shareholders to promote effective and fair communication.

The Board acknowledges that not only does the Company has to fulfill its obligation to furnish timely and material information to shareholders but also to ensure that full and appropriate disclosure of such information is made for complying with statutory requirements as well as rules prescribed under the Listing Manual of the SGX-ST. Any price sensitive information will be publicly released through on SGXNet.

To keep all shareholders of the Company informed on various announcements of the Company, the shareholders can access the Company's announcements and annual reports through the Company's website at the URL <http://www.psccorporation.com>.

**Investor Relations Policy:** The Company has in place an investor relations policy outlining the practices adopted by the Company in the course of its investor relations activities. The practices are designed to provide its shareholders community access to timely and material information which promotes regular, effective and fair communication with shareholders. Investors can contact the Company though its corporate website at the URL <http://www.psccorporation.com>.

The Company sets out in its investor relations policy the following communication mechanism:

- The Company is committed to making timely, full and accurate disclosures in accordance with the listing rules of SGX-ST.
- The Company uses clear and succinct language in its communication with its shareholders.
- The Company endeavours to provide a consistent level of disclosure on both positive and negative developments.
- All disclosures, including announcements, press releases and presentations, are submitted to the SGX-ST through SGXNet, and are updated on the Company's website, at the URL <http://www.psccorporation.com/company-news/>, as soon as practicable.
- The Company does not disclose classified information that may impact its competitive position in the market.

# CORPORATE GOVERNANCE STATEMENT

- The Company does not provide forward-looking statements including financial forecasts.
- The Company does not respond to market rumours or speculation, unless such publicly circulated information is likely to have or has had, an effect on its share price, or would be likely to have a bearing on the Company, it would be promptly clarified by the Company via announcements released to the SGX-ST through SGXNet to avoid unnecessary speculation.

## SECTION (E): MANAGING STAKEHOLDERS RELATIONSHIPS

### Principle 13: Engagement with Stakeholders

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. A sustainability governance structure and framework was put in place to identify, engage with, and manage material environment, social and governance factors which are important to stakeholders and to the Group.

As a leading fast-moving consumer goods company in Singapore, the Company prides its ability to create sustainable value through numerous business activities with various stakeholders. Sustainability, in the manner to which the Company conducts in its day-to-day dealings with customers, suppliers, employees and society, has been and will always be one of the key corporate values motivating and inspiring itself to consistently do our best. Details of which could be found in the Company's Sustainability Report 2023.

The Corporate Governance Statement, together with the Annual Report, aim to provide comprehensive and transparent reporting of the Group's overall objectives and performance to the Company's stakeholders. The Company welcomes feedback on the Corporate Governance Statement and its sustainability performance. All feedback to investor relations can be found at the Company's website at the URL <http://www.psccorporation.com> that is maintained to communicate and engage with stakeholders.

More information on the Company's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found in the Company's Sustainability Report uploaded at the Company's website.

# CORPORATE GOVERNANCE STATEMENT

## ADDITIONAL INFORMATION

**Dealing in Securities:** In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST, the Company has adopted its own internal Code of Conduct to provide guidance to all officers of the Company and its subsidiaries with regard to dealing in the Company's securities.

The Company, Directors and employees of the Company and of the Group are advised, and periodically reminded, not to deal in the Company's shares for the period commencing one month before the Company's announcement of financial results for its half yearly and full year results ("**close window period**"). The Company will notify Directors, officers and employees of the commencement date for each close window period.

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

Directors, officers and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period and they are not to deal in the Company's securities on short-term considerations.

**Interested Person Transactions ("IPTs"):** The Company is required to comply with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST for IPTs. To ensure compliance with the IPTs listing rules of Chapter 9 of the SGX-ST, the ARC meets half yearly to review if the Company will be entering into an interested person transaction in order to ensure that the IPTs are carried out on normal commercial terms and will not be prejudicial to the interests of the shareholders. There were no IPTs entered into by the Group during the year under review.

When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

**Material Contracts:** There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholders subsisting at the end of FY2023.

# CORPORATE GOVERNANCE STATEMENT

**TABLE A – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION AND APPOINTMENT**

The Directors named below are retiring and new appointment and being eligible, offer themselves for re-election and appointment at the forthcoming AGM:

<b>Name of Director</b>	<b>Mr Tan Kian Chew ("Mr Tan")</b>	<b>Mr Chandra Das S/O Rajagopal Sitaram ("Mr Das")</b>	<b>Mr Tan Lye Heng Paul ("Mr Paul Tan")</b>
<b>Date of Appointment</b>	5 May 2021	5 May 2021	25 April 2024 (subject to Shareholders' approval being obtained at the 2024 AGM for the appointment)
<b>Date of last re-appointment (if applicable)</b>	N.A.	N.A.	N.A.
<b>Age</b>	70	85	59
<b>Country of principal residence</b>	Singapore	Singapore	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)</b>	The Board of Directors of the Company is of the opinion that Mr Tan can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Mr Tan's qualifications, extensive experiences and suitability	The Board of Directors of the Company is of the opinion that Mr Das can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Mr Das's qualifications, extensive experiences and suitability	The Board of Directors of the Company is of the opinion that Mr Paul Tan can contribute positively to the Company after reviewing the Nominating Committee's recommendation and Mr Paul Tan's qualifications, extensive experiences and suitability
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Non-Executive	Non-Executive	Non-Executive



# CORPORATE GOVERNANCE STATEMENT

<b>Name of Director</b>	<b>Mr Tan Kian Chew ("Mr Tan")</b>	<b>Mr Chandra Das S/O Rajagopal Sitaram ("Mr Das")</b>	<b>Mr Tan Lye Heng Paul ("Mr Paul Tan")</b>
<b>Job Title</b>	Non-Executive and Non-Independent Director, Member of Audit and Risk Committee	Non-Executive and Independent Director, Chairman of Nominating Committee and Member of Remuneration Committee and Audit and Risk Committee	Non-Executive and Independent Director, Chairman of Audit and Risk Committee and Member of Nominating Committee
<b>Professional qualifications</b>	Mr Tan holds an Honours Degree (First Class) in Mechanical Engineering from University of Aston in Birmingham, United Kingdom	Mr Das holds Certificate in Education, former Singapore Teachers' Training College and B.A. (Hons) in Economics, University of Singapore	Mr Paul Tan is Fellow of Institute of Singapore Chartered Accountants, Fellow of Association of Chartered Certified Accountants and holds UK Master of Business Administration, University of Birmingham
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	None	None	None
<b>Conflict of interest (including any competing business)</b>	None	None	None
<b>Working experience and occupation(s) during the past 10 years</b>	Mr Tan retired from NTUC FairPrice in December 2015 after being its CEO for 18 years. He joined Singapore Labour Foundation as its CEO in January 2016 and retired in December 2018	Mr Das has been involved in companies over the last 40 years in manufacturing, trading and services	Mr Paul Tan was practising as a Partner in CA Trust PAC and Kreston ACA PAC

# CORPORATE GOVERNANCE STATEMENT

Name of Director	Mr Tan Kian Chew ("Mr Tan")	Mr Chandra Das S/O Rajagopal Sitaram ("Mr Das")	Mr Tan Lye Heng Paul ("Mr Paul Tan")
<b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>	Yes	Yes	Yes
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	No, Mr Tan does not hold any shares in PSC Corporation Ltd. and its subsidiaries	Mr Das is deemed to be interested in 1,000,000 shares of PSC Corporation Ltd. by virtue of the shares held by NUR Investment & Trading Pte. Ltd.	No, Mr Paul Tan does not hold any shares in PSC Corporation Ltd. and its subsidiaries
<b>Other principal commitments including directorships</b>	<b>Past (for the last 5 years)</b> <ul style="list-style-type: none"> <li>• CapitaLand Mall Trust Management Limited</li> </ul>	<b>Past (for the last 5 years)</b> <ul style="list-style-type: none"> <li>• Yeo Hiap Seng Ltd</li> <li>• Global Money Remittance Pte Ltd</li> <li>• Eldercare Holdings Pte Ltd</li> <li>• Super Group Ltd</li> <li>• Tamil Murasu Ltd</li> <li>• Travelex Holdings (S) Pte Ltd</li> <li>• Ascendas Singbridge Pte Ltd</li> <li>• Hope Medical Services Group</li> <li>• AEON Molecular Laboratory Pte Ltd</li> <li>• Gashubunited Holding Private Limited</li> </ul>	<b>Past (for the last 5 years)</b> <ul style="list-style-type: none"> <li>• Sin Ghee Huat Corporation Ltd.</li> <li>• China Sunshine Chemical Holdings Ltd.</li> <li>• Accredited Mediator of The Consumer Association of Singapore (Case) Mediation Panel</li> </ul>

# CORPORATE GOVERNANCE STATEMENT

Name of Director	Mr Tan Kian Chew ("Mr Tan")	Mr Chandra Das S/O Rajagopal Sitaram ("Mr Das")	Mr Tan Lye Heng Paul ("Mr Paul Tan")
	<b>Present</b>	<b>Present</b>	<b>Present</b>
	<ul style="list-style-type: none"> <li>• Japfa Ltd.</li> <li>• Catholic Preschool Education (Singapore) Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• TalkMed Group Limited</li> <li>• YHS (Singapore) Pte Ltd</li> <li>• Goodhope Asia Holdings Ltd</li> <li>• NUR Investment &amp; Trading Pte Ltd</li> <li>• The Smart Think Pte Ltd</li> <li>• High Street Hospitality Pte Ltd</li> <li>• Agro Asia Pacific Pte Ltd</li> <li>• Pacific International Lines (Private) Ltd</li> <li>• PIL Enterprises Pte Ltd</li> <li>• PIL Marine Pte Ltd</li> <li>• PIL Pte Ltd</li> <li>• Coalition Capital GP Pte Ltd</li> <li>• Ise Food Holdings Pte Ltd</li> <li>• NEON Group Limited</li> </ul>	<ul style="list-style-type: none"> <li>• AJJ Medtech Holdings Limited</li> <li>• Second Chance Properties Ltd</li> <li>• Serial System Ltd</li> <li>• Pollux Properties Ltd.</li> <li>• Nexia Singapore PAC</li> <li>• CA Trust PAC</li> <li>• Salleh Marican Foundation Ltd</li> </ul>

The above Directors have responded negative to items (a) to (k) listed in Rule 720(6) of the Listing Rules of SGX-ST.