

Quality at the heart of Everyday Life

日常生活品质之选



ANNUAL REPORT
2025

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VISION **MISSION**

OUR **VISION**

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

OUR **MISSION**

- Building strong partnerships, growing new markets
- Fostering an open and creative culture, attracting and nurturing talents
- Providing innovative products, portfolio building, meeting stakeholders' needs
- Achieving operational excellence
- Building strong financial capabilities



CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

The year 2025 presented significant challenges due to heightened economic volatility driven by trade and geopolitical tensions. Nevertheless, the world economy demonstrated considerable resilience, effectively adapting to external shocks.

Against this backdrop, it is imperative that the Group remains competitive by focusing on innovation, sustainability, and digital transformation. Additionally, PSC's strategic priorities are to continue to strengthen our fundamentals – namely, our core brands – such as Royal Umbrella, Fortune and Beautex.

In addition to product and brand development, PSC prioritizes operational efficiency and supply chain resilience. Efforts include building inventory resilience to manage market volatility and investing in employee training and development, especially in areas such as digitalization and artificial intelligence. These initiatives ensure we continue delivering consistent quality, affordability, and reliable supply across all product categories, including the continued expansion of the Good Fortune brand.

Market expansion remains a key focus, with plans to add new distribution opportunities both within Singapore and in regional markets. PSC aims to strengthen relationships with major retail channels and increase its presence in online and direct-to-consumer (D2C) spaces. These strategies, combined with sustainability initiatives like rice cultivation campaigns and upcycling projects, position PSC to meet evolving consumer needs while advancing environmental stewardship and community engagement.

FINANCIAL HIGHLIGHTS

In FY2025, our Group navigated a challenging environment, with net profit dipping 5.0% to S\$21.6 million and total revenue sliding 2.4% to S\$477.2 million. This was largely due to tougher competition and the depreciation of the Renminbi against the Singapore Dollar, which put pressure on our Packaging Business in China.

That said, I'm pleased to share that our core Consumer Business demonstrated resilience in both Singapore and Malaysia. Our gross profit margin held steady at 23.6%, and we ended the year with total assets up 1.4% at S\$607.4 million. On a positive note, our cash and cash equivalents rose by 6.5%, reaching S\$205.0 million as at 31 December 2025.

Looking ahead, we anticipate a tougher business landscape, with rising costs and ongoing global trade tensions likely to present further challenges.

DIVIDEND

For FY2025, the Directors have proposed a final dividend of 1.8 Singapore cents per share, bringing the total payout, including the interim dividend, to 2.0 Singapore cents per share.

Pending approval at the Annual General Meeting on 24 April 2026, the final dividend will be paid on 18 June 2026.

GROWTH STRATEGY

In our Consumer Business, competition remained intense with both multinational brands and retailer house brands expanding their presence. New government stockholding requirements and continual market changes in Singapore may further impact our results.

To address these challenges, the Group is focusing on building a more resilient supply chain across the region by strengthening relationships with suppliers and partners, diversifying supply networks, and tightening cost management.

Alongside expanding our own house brands, PSC is actively seeking additional agency products to meet market demands and extend our regional reach. At the same time, the Group aims to accelerate growth by leveraging on its trusted brands, a strong network, and continuous enhancements in operational performance.

A key milestone ahead is the completion of Fortune's new manufacturing facility in Malaysia, expected to be operational by the second quarter of 2026. This expansion will increase production capacity of its leading soya bean products, noodles, and desserts, enabling deeper market penetration and stronger participation in Malaysia's FMCG channels.

The Packaging Business continues to face a tough environment, as global trade is being reshaped by rising geopolitical tensions and ongoing tariff changes, adding to market instability. Additionally, overcapacity in China's corrugated packaging sector is intensifying price competition. These pressures, along with potential increases in raw material costs, may directly affect our performance and profit margins.

To manage these difficulties, the Group will closely watch market trends and prioritise cost control, efficiency improvements, and automation throughout our operations. We will also strengthen our communication with current and potential customers to foster collaboration and seize long-term opportunities.

Across the Group, our priorities remain clear: enhance brand equity, improve productivity through automation, and optimise cost structures. With established brands, a trusted distribution network and a solid balance sheet, PSC is well positioned to remain resilient and capture growth opportunities.

SUSTAINABILITY

As new ESG regulations come into play, we're taking meaningful steps to boost our sustainable business practices. Working closely with expert consultants, we've laid out a comprehensive sustainability roadmap that covers everything from governance and decarbonisation to setting clear goals.

Our Board maintains strong oversight by conducting annual reviews of our sustainability reports, ensuring our progress aligns with our sustainability objectives and regulatory expectations.

Beyond business performance, we are deeply committed to environmental stewardship and meaningful community involvement. The Group continues to support volunteerism, charitable partnerships, and upcycling initiatives with organisations such as Hao Ren Hao Shi and Food From The Heart. These initiatives reflect our dedication to making a positive impact on both society and the environment.

APPRECIATION

Looking ahead, the Group maintains a positive outlook regarding increasing consumption demand within the region. We will continue to capitalise on our comprehensive distribution network, marketing capabilities, and brand-building expertise to deliver high-quality products that address these evolving needs.

I wish to formally acknowledge the outstanding dedication and effort demonstrated by my fellow directors, the senior management team, and all members of staff, particularly given recent challenging circumstances.

Additionally, I would like to extend my gratitude to our customers, business partners, suppliers, and shareholders for their ongoing support. Together, we work towards continued success and growth as we navigate the quarters ahead.

DR GOI SENG HUI

Executive Chairman

BOARD OF DIRECTORS



DR GOI SENG HUI
EXECUTIVE CHAIRMAN

Date of first appointment as director: 8 March 2021

Date of last re-election as director: 28 April 2023

Dr Goi is the Executive Chairman of Tee Yih Jia Food Manufacturing Pte Ltd, Mainboard-listed GSH Corporation Limited and Tat Seng Packaging Group Ltd. He is also the Vice Chairman of Mainboard-listed JB Foods Limited and a Non-Executive and Non-Independent Director of Catalyst-listed Tung Lok Restaurants (2000) Ltd.

Dr Goi, who was conferred an Honorary Doctorate from Singapore University of Technology & Design (SUTD) in 2021, is a self-made entrepreneur and has diverse business interests in Singapore, China, Malaysia, Japan, India, Australia, New Zealand, United States, Canada, Europe and other parts of the world.

He is a strong supporter of trade and serves as the Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry and Honorary Past President of the Enterprise 50 Club. Dr Goi is the Vice Chairman of International Enterprise Singapore's "Network China" Steering Committee, Council Member of the Singapore Jiangsu Cooperation Council and Singapore-Shandong Business Council. He is also a Senior Consultant to Su Tong Science and Technology Park in China.

Dr Goi serves in various community and grassroots organisations. He is the Honorary Chairman of Ulu Pandan Citizens' Consultative Committee; Dunman High School Advisory Committee; Singapore Futsing Association and Nanyang Gwee Clan Association. In addition, he is the Honorary President of Kong Hwa School Alumni, Honorary Chairman of Tan Kah Kee Foundation and Honorable Chairman of Sian Chay Medical Institution.

Dr Goi was awarded the Public Service Star (Bar), or BBM (L), by the Singapore Government, and the Panglima Gemilang Darjah Kinabalu (Datuk) by the Sabah Government in 2014, as well as the Long Service Award by Singapore's People's Action Party in 2015. In 2022, he received the PAP Commendation Medal for his contributions to the People's Action Party and country. He also received a Long Service Award for 25 years of service to the Ministry of Social and Family Development in 2023.

He was lauded for his contributions and success as an overseas Chinese by People's Tribune Magazine in Beijing, China in 2017 and was conferred the "Businessman of the Year Award" by Singapore's Business Times in 2014.

One of SUTD's pioneer Board of Trustees, Dr Goi was appointed Patron for Advancement to help steer the University's continued fundraising efforts as well as garner partners and donors who have a heart for nurturing the next generation of leaders and innovators.

Dr Goi was appointed Singapore's Non-Resident Ambassador to the Federative Republic of Brazil on 20 April 2018, and Justice of the Peace by the President of the Republic of Singapore in 2020.



MR TAN KIAN CHEW
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Date of first appointment as director: 5 May 2021
 Date of last re-election as director: 25 April 2024

Mr Tan is currently a Director of Catholic Preschool Education (S) Ltd and advisor to Incofood Management Services Pte Ltd.

Mr Tan served in the Republic of Singapore's Navy from 1975 to 1983. He was the Head of Naval Operations when he left to join Singapore Government's elite Administrative Service and was posted to the Ministry of Trade and Industry. In 1988, he was posted to the Prime Minister's Office where he served as the Principal Private Secretary to the then Deputy Prime Minister Ong Teng Cheong. In 1992, Mr Tan joined NTUC FairPrice as its Assistant General Manager. He was appointed as CEO in 1997 and left NTUC Fairprice in December 2015 after being its CEO for 18 years. Mr Tan joined Singapore Labour Foundation as its CEO in January 2016 and retired in December 2018.

Mr Tan was awarded a SAF (Overseas) Scholarship in 1972. He graduated with a degree (First Class Honours) in Mechanical Engineering from the University of Aston in Birmingham, United Kingdom in 1975. He also completed an Advanced Management Program from Harvard University in 2000. In 1991, he was awarded the Singapore Public Administration Medal (Silver). In 2014, he received the NTUC May Day Award – Medal of Commendation (Gold). In 2023, he received the National Day Award – Public Service Medal.



MS YUI VIVIEN
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Date of first appointment as director: 1 July 2022
 Date of last re-election as director: 28 April 2023

Ms Yui is a Partner in the Mergers & Acquisitions Practice at WongPartnership LLP and co-heads its Employment Practice. She was admitted to the Singapore Bar in 1997 and her main practice areas are private mergers and acquisitions, employment, corporate governance and compliance and general corporate and commercial work. She is recommended as a leading practitioner for her areas of practice in several legal publications.

Apart from her practice, Ms Yui is also an adjunct instructor with the School of Law at the Singapore Management University and teaches at The National University of Singapore Faculty of Law as a guest lecturer.

She holds a Bachelor of Law (Honours) from The National University of Singapore and is a member of the Singapore Bar.

BOARD OF DIRECTORS



MR TAN LYE HENG PAUL
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Date of first appointment as director: 25 April 2024
Date of last re-election as director: 25 April 2024

Mr Tan is currently a Non-Executive and Independent Director of SGX-listed companies Tat Seng Packaging Group Ltd and AJJ Medtech Holdings Limited.

Mr Tan has over 20 years of work and academia experience in areas of accounting, auditing, tax advisory, risk and corporate advisory and regulatory compliance. He is currently the Managing Director of CA Trust PAC and Chairman of Nexia Singapore PAC.

Mr Tan holds an MBA from the University of Birmingham in the United Kingdom. He is a Fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants England and Wales, Singapore Chartered Tax Professionals Limited and Singapore Institute of Directors. He is also a licensed Insolvency Practitioner.



MR GOI KOK MING (WEI GUOMING)
NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Date of first appointment as director: 10 August 2012
Date of last re-election as director: 25 April 2025

Mr Goi is the Executive Director of GSH Corporation Limited, a company listed on the Singapore Exchange Securities Trading Limited and Acelink Logistics Pte Ltd, a supply chain company with distribution networks in Singapore, Malaysia, Thailand, Hong Kong and China.

Mr Goi is also a Director of Tee Yih Jia Group, a global food and beverage group with operations in Singapore, Malaysia, USA, Europe, Japan and China.

Mr Goi is active in community service and is a member of the Community Development District Council, South East Region. Mr Goi holds a Bachelor Degree in Computer Information System from California State University, Pomona.

SENIOR MANAGEMENT



MS KOH POH YEOK

CHIEF FINANCIAL OFFICER | PSC CORPORATION LTD

Ms Koh was appointed as the Chief Financial Officer on 1 December 2021. She is responsible for all financial matters of the Group including financial reporting and operations, corporate finance, treasury, tax, risk management and group information technology. She has more than 20 years of accounting and corporate finance experience. Prior to joining PSC, she held financial positions in diverse business operations ranging from manufacturing, real estate, water infrastructure, and container leasing industries.

She graduated from the National University of Singapore with a Bachelor of Accountancy Degree and holds a Master of Business Administration Degree from University of Leicester, United Kingdom.



MR CHING YONG HAI

EXECUTIVE VICE PRESIDENT | PSC CORPORATION LTD

Mr Ching has been with Topseller for 13 years, overseeing the brand management, sales and operations for house and agency brands under the company. He has over 29 years of experience in the FMCG industry, having managed sales and operations teams across various products and brands which include rice, oil, beverages, confectionery and snacks.

Mr Ching holds a degree in Business Studies (Marketing) from Monash University, Australia.



MS WONG YUEN MAY SANDY

GROUP FINANCIAL CONTROLLER | PSC CORPORATION LTD

Ms Wong has more than 20 years of experience in the finance and accounting field mainly in the FMCG industry. She held significant positions in general management and finance, before becoming PSC's Group Financial Controller in 2017. She has vast experience in financial and management reporting, treasury, budgeting, taxation, credit control, asset management, preparation and analysis of financial statements and systems implementation. She holds a degree in Accounting from Charles Sturt University, Australia.



MS TEOH SIN LING

MANAGING DIRECTOR, COMMERCIAL AND OPERATIONS |
SOCMA TRADING (M) SDN BHD

Ms Teoh has over 25 years of experience in FMCG sales and marketing, with expertise across the confectionery, snacks, and grocery categories. She holds a Bachelor of Commerce Degree in Management & Marketing from Curtin University, Western Australia.

SENIOR MANAGEMENT



MR SIM SEE HIANG RICHARD
VICE PRESIDENT | TIPEX PTE LTD

Mr Sim has more than 25 years of experience in paper product manufacturing and FMCG distribution across the Asia Pacific region. He holds a Bachelor of Engineering Degree, majoring in Mechanical & Production Engineering from Nanyang Technological University, Singapore.



MR CHO SHEE KEONG PATRICK
ASSISTANT VICE PRESIDENT | FORTUNE FOOD MANUFACTURING PTE LTD

Mr Cho has been with Fortune Food Manufacturing since 2021, overseeing the manufacturing facilities in Singapore and Malaysia. He has more than 35 years of experience in the supply chain management industry and had managed multiple regional logistics centers and food manufacturing facilities in Singapore and China.



MDM CHEONG POH HUA
GROUP CHIEF FINANCIAL OFFICER | TAT SENG PACKAGING GROUP LTD

Mdm Cheong has more than 30 years of experience in the corrugated packaging industry. She holds a Bachelor of Commerce Degree in Accountancy from Nanyang University, Singapore. She is a member of the Institute of Singapore Chartered Accountants.

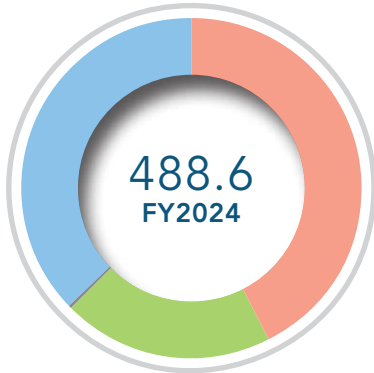


MR TAN CHIN SING
DEPUTY MANAGING DIRECTOR, CHINA REGION AND GROUP
STRATEGIC DEVELOPMENT | TAT SENG PACKAGING GROUP LTD

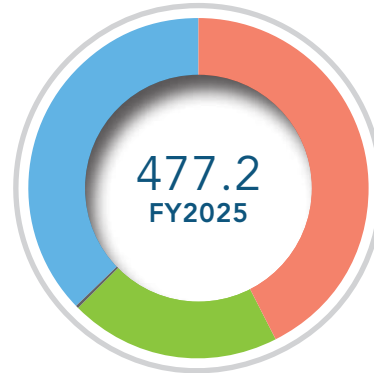
Mr Tan has extensive experience in the printing industry in Singapore, Malaysia and China before joining Tat Seng Packaging Group Ltd. He holds a Bachelor of Accountancy Degree from National University of Singapore and a Master of Business Administration from Adelaide University, Australia. He is a member of the Institute of Singapore Chartered Accountants.

GROUP FINANCIAL SUMMARY

TURNOVER BY GEOGRAPHICAL SEGMENTS (\$ MILLION)

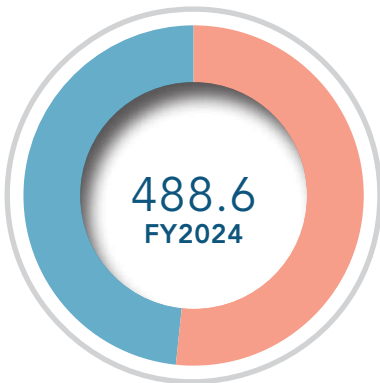


SINGAPORE	CHINA	MALAYSIA	OTHERS
181.7	208.0	97.8	1.1

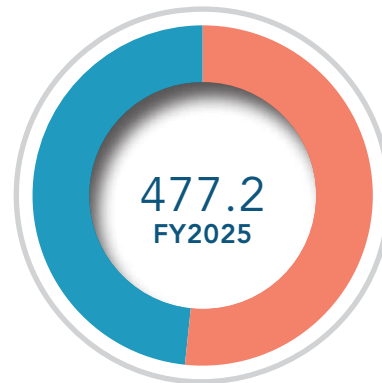


SINGAPORE	CHINA	MALAYSIA	OTHERS
178.7	188.9	108.2	1.4

TURNOVER BY BUSINESS SEGMENTS (\$ MILLION)



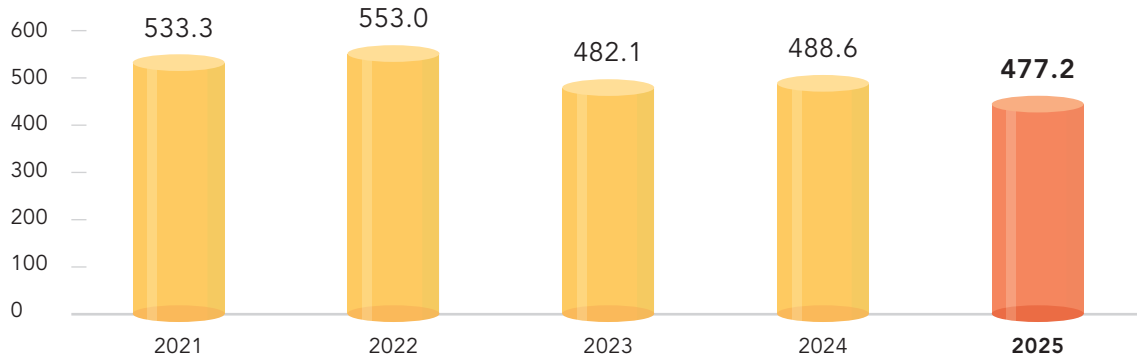
PACKAGING	CONSUMER
253.8	234.8



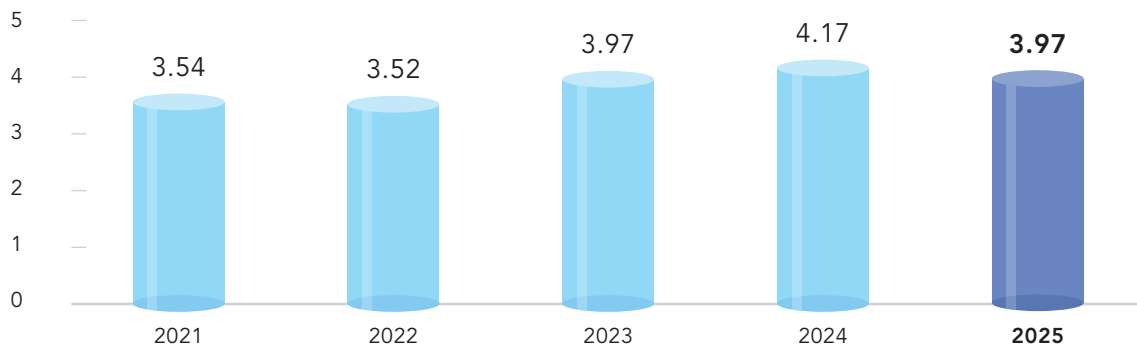
PACKAGING	CONSUMER
231.4	245.8

GROUP FINANCIAL SUMMARY

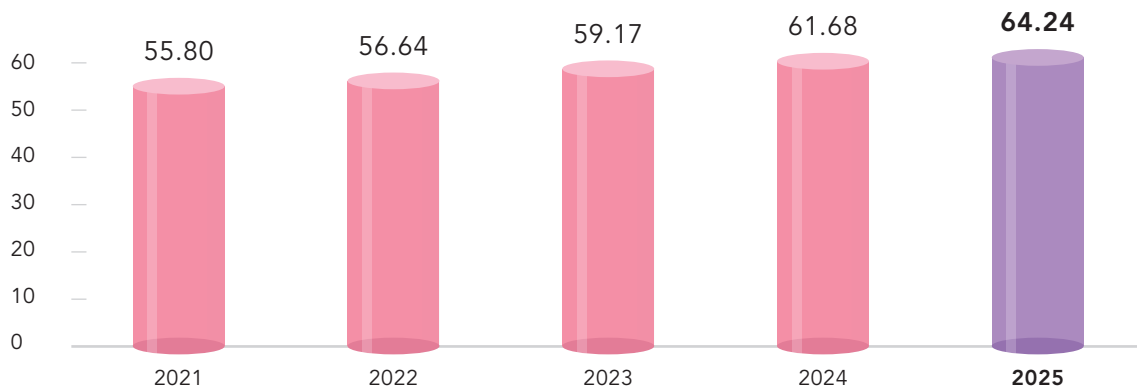
TURNOVER (\$ MILLION)



BASIC EARNINGS PER SHARE (CENTS)



NAV PER SHARE (CENTS)



OPERATIONS REVIEW

PSC Corporation primarily operates in the following segments:

- Consumer Essentials (Consumer Business)
- Strategic Investments (Packaging Business)

THE CONSUMER BUSINESS

In FY2025, our Consumer Essentials Business generated S\$245.8 million in Group revenue, accounting for 51.5% of the total, and delivered Segment Operating Profit of S\$14.2 million for the year ended 31 December 2025.

This segment comprises:

Business Activities	Subsidiary
Distribution of fast-moving consumer goods (FMCG) in Singapore	Topseller Pte Ltd (Singapore)
Distribution of FMCG in Malaysia	SOCMA Trading (M) Sdn Bhd (Malaysia)
Manufacturing of soya bean-based products, noodles and Asian desserts	Fortune Food Manufacturing Pte Ltd (Singapore) Fortune Food Manufacturing Sdn Bhd (Malaysia)
Brand management and product development of tissue paper and household products	Tipex Pte Ltd (Singapore)
Manufacturing of tissue paper products	Tips Industry Sdn Bhd (Malaysia)
Wholesale and distribution of food products to food service outlets	C.K.H. Food Trading Pte Ltd (Singapore)
Manufacturing and distribution of Singapore traditional coffee powder and tea dust	Kim Guan Guan Coffee Trading Pte Ltd (Singapore) Kim Guan Guan Coffee Roaster Pte Ltd (Singapore)

As part of its business expansion plan, PSC continues to extend its market presence beyond Singapore and Malaysia, exporting to over 20 international markets.



OPERATIONS REVIEW

FMCG DISTRIBUTION – SINGAPORE



Our subsidiary, Topseller Pte Ltd, plays an integral role in overseeing brand management, marketing, and distribution of prominent fast-moving consumer essential products and brands, including:

Product Categories	Brands
Rice	Royal Umbrella, Golden Peony, Gitangkim, Taj, Okome, Harmuni
Cooking Oil	Golden Circle, Soyelite, Harmuni
Tofu, Noodles, and Asian Desserts	Fortune, Hosei and Golden
Laundry and Dishwashing Detergents	Promax, Singpo, TP706
Tissue Paper, Kitchen Towels, Bathroom Tissue, Laundry Capsules & Wet Wipes	Beutex, Mood, Hibis, Parity
Sauce, Canned Food and Snacks	Good Fortune



In addition, Topseller acts as a distributor for several agency brands, including Greenfields, Lion, Pauls, 3M, Outside, Royal Mongkut, JA, Shinmei, Campagna and Eye Mo. In March 2026, Topseller expanded its portfolio to include distribution of Tao Kae Noi seaweed products across all channels in Singapore.

By leveraging Topseller's comprehensive distribution network, these brands are able to maintain robust visibility and availability across supermarkets, convenience stores, minimarts, petrol stations, catering services, institutions, ship chandlers, hotels, restaurants, food courts, hawker centres, and online retail platforms throughout Singapore.



MARKETING HIGHLIGHTS

ROYAL UMBRELLA



Since its first introduction to Singapore in 1986, Royal Umbrella continues to be the No. 1 Rice Brand in Singapore¹ based on data reported by NielsenIQ. The family-favourite marque was also conferred DFI's Customer Favourite Brand in 2025.

On 11 June 2025, Royal Umbrella and PSC E-Store partnered with the local educational platform Weyoco to host a cooking workshop led by Inderpal Singh, winner of Masterchef Singapore Season 4. Interested participants were able to attend the workshop by purchasing Royal Umbrella products valued at \$10 or more from PSC E-Store.



¹ Topseller Pte Ltd calculation based in part on data reported by NIQ through its Scan Track Service for Rice (Fragrant) category in Singapore, for the MAT period ending June 2025 for Total Singapore Modern Trade. (Copyright © 2025, NIQ Singapore)



GOLDEN PEONY



The Golden Peony Jasmine Fragrant Rice packaging has been updated to feature a cleaner, more contemporary design. The new package incorporates a brighter yellow base complemented by a more prominent blue colour block. Similarly, Golden Peony Thai Premium Fragrant Rice packaging now presents a brighter yellow base with a stronger red colour block, improving both visibility and differentiation between product variants. Throughout the range, all key brand elements have been maintained to ensure strong consumer recognition.



OPERATIONS REVIEW

SOYA LITE



The Soya Lite Soyabean Oil packaging has been updated to improve its visibility on shelves and boost brand recognition. The redesigned label includes a more prominent red brand panel for easier identification, while keeping familiar visuals like the yellow background and images of soybeans.



TP706



In October 2025, Topseller introduced the TP706 Anti-Bacterial Floor Cleaner 2.2L as a product extension to its cleaning solutions portfolio, which previously consisted of dishwashing liquid and bleach. It is distributed through various food service channels and features a deep-cleaning formula designed to remove grease and stains, complemented by a green apple fragrance.



GOOD FORTUNE



In the first quarter of 2026, the Good Fortune brand expanded its product portfolio with several new offerings. These include premium canned abalone, set to be available during the Chinese New Year festive season. The brand has also introduced fruit gummies in mango and grape flavors, as well as XL Peanuts in salted, garlic, and mala varieties. These additions are intended to strengthen the brand's presence in the festive gifting and snacking categories.



FORTUNE TOFU, NOODLE AND ASIAN DESSERTS



Fortune Food Manufacturing Pte Ltd, a wholly owned subsidiary of the Group, specialises in producing a wide range of soya bean-based products under the Fortune brand, including Japanese Silken Tofu, Chinese Tofu, Egg Tofu, and Tau Kwa. Its Singapore facility focuses on the production of tofu and soya beancurd desserts, while its manufacturing facilities in Malaysia are dedicated to producing noodles and grass jelly desserts.

FORTUNE



Fortune products are distributed through Topseller and exported to over 15 countries across diverse regions, including the European Union, South Africa, the Middle East, and various parts of Asia. This extensive distribution network has established Fortune as a reputable global brand.

As Singapore’s No. 1 Tofu brand², Fortune continues to grow its product portfolio. Looking ahead, the brand plans to expand beyond its current offerings, with its noodle range enhanced by the introduction of new Ready-to-Cook Meal Kits in Laksa and Prawn Soup flavours, both featuring Hokkien Round Noodles.



To celebrate Singapore’s 60th birthday, Fortune partnered with 30 local creators to craft innovative recipes featuring Fortune Silken Tofu and Hokkien Round Noodles.



² Topseller Pte Ltd calculation based in part on data reported by NIQ through its Scan Track Service for Package Beancurd in Singapore, for the MAT period ending March 2025 for Total Singapore Modern Trade. (Copyright © 2025, NIQ)

OPERATIONS REVIEW

PAPER PRODUCTS – TIPEX (SINGAPORE) AND TIPS INDUSTRY (MALAYSIA)



Group subsidiary Tipex Pte Ltd is a well-established manufacturer with a strong reputation for producing tissue paper products, including its proprietary Beautex brand, tailored for the Singapore market. Through its designated distributor, Topseller, Tipex also provides a comprehensive range of washroom hygiene solutions, encompassing cleaning agents and dispensers.

In the fourth quarter of 2025, Tipex launched the Beautex 6-in-1 Laundry Detergent Sheets, designed for ease of use and formulated with powerful cleaning enzymes that provide antibacterial and anti-dust mite properties. Building on the success of Beautex's laundry capsules, this compact and lightweight product saves space, enhances colour protection, and delivers a long-lasting fragrance.



During the same period, Beautex introduced a new eco-friendly floor cleaner in the form of fully dissolvable cleaning strips. These strips are designed for antibacterial use on a variety of surfaces and are packaged in environmentally friendly material, offering a convenient and compact cleaning solution.

In celebration of Singapore's 60th birthday, Beautex collaborated with Giordano to offer customers complimentary Beautex laundry capsule trial packs with the purchase of National Day apparel, redeemable at selected Giordano outlets.



The Group's Malaysian subsidiary, Tips Industry, has implemented several production enhancements, including the installation of a Hanging Tissue machine capable of producing hanging tissues in multiple packaging sizes. Looking ahead, Tips Industry plans further facility upgrades with the addition of an automated soft pack machine and an automated handkerchief machine, alongside the introduction of new products such as soft pack and hanging facial tissues.

Tips Industry also continues to advance its sustainability efforts, with plans to transition from diesel to battery-operated forklifts and to procure a battery-powered mopping machine for warehouse cleaning.



BUSINESS-TO-BUSINESS (B2B) DISTRIBUTION – SINGAPORE



Established in 2004, C.K.H Food Trading Pte Ltd is a food distributor supplying a wide range of food products to approximately 1,500 food and beverage establishments in Singapore. Its clients include hawker centres, food courts, restaurants, school canteens, catering organisations, commercial buildings, supermarkets, MRT stations, bus interchanges, and home-based businesses.

Looking ahead, the Company plans to improve service efficiency, focus on meeting customer needs, and explore new business opportunities for future growth and development.



COFFEE BUSINESS – KIM GUAN GUAN

金源源



Kim Guan Guan Coffee Roaster Pte Ltd (KGG), a subsidiary of the Group, is an established brand with over 30 years of experience in the Singapore market. As an

integrated coffee company, KGG imports, roasts, packs, and supplies traditional ground coffee powder and tea dust from its FSSC 22000 certified roastery to over 1,500 F&B outlets.

Additionally, Kim’s Duet entered the modern trade and travel retail sectors through a broadened product portfolio, positioning the brand for wider local and international distribution.

The year of SG60 marked an exciting celebration of Singapore’s rich local heritage and presented new growth opportunities for KGG and its consumer brand, Kim’s Duet.



The Company expanded its B2B customer base and strengthened its brand recognition, while significant investments in research and development enabled new collaborations and innovations within the Nanyang coffee category.



OPERATIONS REVIEW

In July 2025, Kim's Duet partnered with Suzuki Gourmet Coffee to introduce The Founders' Roast, a limited-edition blend designed to honour Singapore's distinctive coffee heritage. Packed in a single-serve coffee bag, this offering artfully integrates the deep and robust qualities of Nanyang coffee with the sophisticated nutty, cocoa, and citrus notes characteristic of specialty coffee.



As part of its festive season offerings, Kim's Duet introduced an exquisite gift set for coffee lovers, featuring three curated coffee experiences designed to be enjoyed from dawn to dusk – Morning Muse: Singapore Nanyang Black Coffee, Mid-Day Magic: Singapore Nanyang Milk Coffee with High Dietary Fibre Crème and Evening Calm: Decaffeinated Singapore Nanyang Black Coffee.



Building on the popularity of last year's Orange Espresso Nitro Coffee Concentrate, Kim's Duet introduced Nanyang Roast Nitro Coffee Concentrate, allowing consumers to enjoy the bold flavours of Singapore's Nanyang coffee heritage in a sleek, pocket-sized single-serve tube.

Kim's Duet also launched Nanyang Dreaming – Singapore's traditional coffee in convenient capsules. This dark roast with toasty notes and a light, nutty aroma, delivers a robust, full-bodied experience. The capsules are also available in a gift set paired with a pair of golden espresso cups.



Concurrently, the brand strengthened its retail expansion strategy with the introduction of a new 15-sachet packaging format for its two best-selling SKUs, Kopi-O Kosong and Kopi-C. The refreshed packaging prominently highlights key product differentiators, including "100% Pure Ground Coffee" and "No Margarine Used During Roasting", reinforcing KGG's commitment to authenticity and the use of real ingredients without artificial additives. The clearer articulation of these unique selling propositions enhances on-shelf visibility and builds consumer confidence at the point of purchase.



By end-2025, Kim's Duet secured listings in leading supermarket chains such as Sheng Siong and Prime Supermarkets, marking a significant milestone in its retail growth journey. Discussions with additional major retailers are ongoing, with further market expansion targeted in the first half of 2026.

Looking ahead, KGG will intensify its export initiatives, strengthen international sales channels, broaden its modern trade distribution network and pursue diversification opportunities to reinforce long-term growth and operational resilience.

COMMUNITY OUTREACH

PSC Group remains deeply committed to fostering positive social impact and strengthening community ties. During the year, PSC supported Hao Ren Hao Shi (好人好事) through both monetary contributions and in-kind product donations. This partnership enables the distribution of daily essentials to families in need through its Happy Marts and Mobile Groceries programme.



In August, PSC supported Food from the Heart's National Day Food Donation Drive with a bulk donation of essential items, including Royal Umbrella rice, Beautex tissue paper, Beautex laundry capsules, and Golden Circle sunflower oil.



In May, Topseller partnered with SAFRA to host an upcycling workshop at SAFRA Tampines in celebration of Mother's Day, encouraging families to adopt sustainable practices through creative activities.



On 29 August 2025, Topseller organised the Royal Umbrella Cooking Workshop at St Luke's ElderCare in Ang Mo Kio, where Chef Lisa conducted a live cooking demonstration for its residents. The session featured nutritious dishes such as lotus leaf rice, herbal soup, and rice tea, all prepared with Royal Umbrella products.

During June and July 2025, Topseller collaborated with Amazon.sg to support beneficiaries of The Food Bank Singapore. For every kilogram of rice purchased on Amazon.sg, Topseller donated 100 grams of Royal Umbrella rice to Food Bank, contributing a total of 3,000kg to the organisation.



OPERATIONS REVIEW

In the last quarter of the year, Royal Umbrella partnered with Green Sproutz Singapore to organise a series of workshops at two St Luke's ElderCare Centres (SLEC) in Jurong East and Chong Pang. These workshops focused on upcycling Royal Umbrella's rice packaging into mini bags. Supported by staff volunteers from Topseller, as well as students from Bukit View Secondary School and Admiralty Primary School, the initiative not only promoted sustainable practices but also provided meaningful opportunities for intergenerational engagement with the elderly. In a separate initiative, Topseller also prepared and distributed 300 goodie bags to beneficiaries at SLEC Ayer Rajah.

In October 2025, Royal Umbrella partnered with FairPrice Group and ExxonMobil to organise a Charity Car Wash at the Esso station at 399 Lorong 2 Toa Payoh. The event successfully raised over \$60,000 in support of the Children's Aid Society.



Throughout the year, KGG continued its partnership with Metta School, offering short-term work attachments for students. This initiative provides valuable exposure to the manufacturing sector, supports the development of practical workplace skills, and helps build the students' confidence for future employment opportunities.



Through its consumer brand, Kim's Duet, KGG also collaborated with MINDSET Care Limited as one of the supporting sponsors for the "Unlocking ADHD" fundraising event held on 30 November 2025. Unlocking ADHD, a Singapore charity founded in 2021, supports individuals with ADHD and their families through advocacy and community programmes. The event featured activities such as a competitive run, mass walk, and an "Amazing Race"-style challenge. The event raised a total of \$188,000 for the beneficiary – Unlocking ADHD.



FMCG DISTRIBUTION – MALAYSIA

SOCMA

SOCMA Trading (M) Sdn Bhd specialises in the distribution and marketing of a comprehensive portfolio of products, including confectionery, snacks, beverages, groceries, and paper products for leading brands such as Mentos, Chupa Chups, TaoKaeNoi, Tai Sun, Meiji, Mazola, Café21, and Harmuni. The Company's extensive distribution network spans more than 27,000 retail outlets throughout Peninsular Malaysia, East Malaysia and Brunei.



During key peak periods, including Chinese New Year and August to September, Mentos enhanced in-store visibility through targeted display standees. In October 2025, the brand also introduced two new sugar-free mint flavours – Grape and Peach in ultra-slim 1cm packs, offering a refreshing, on-the-go format.



In June 2025, Chupa Chups introduced Melody Pop – a lollipop with integrated musical capability intended to enhance user interaction and tap into the growing demand for social and experiential products. Subsequently, in September 2025, the brand launched a one-metre sour jellies belt, notable for its playful design and shareability.



During the year, Chupa Chups expanded its product range with new sour bites and tubes, which were well received in the market. These offerings, characterised by their soft, chewy textures and unique blend of sour and fruity flavours, continue to drive category growth and engagement within the Jellies segment.



OPERATIONS REVIEW



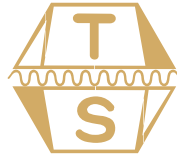
Tai Sun introduced a refreshed packaging design aimed at appealing to Generation Z consumers. SOCMA continued to achieve strong performance by focusing on targeted festive promotions for both the Tai Sun and Nature's Wonders brands. In July 2025, Nature's Wonders conducted roadshows at selected Aeon, Aeon Big, and Village Grocer stores, offering shoppers an exclusive Mix-Your-Own-Snack experience at designated sampling stations.

SOCMA also launched three new Meiji products – Chocorooms Chocolate, Chocorooms Strawberry, and Uproll at select Aeon supermarkets and MyNews outlets. Chocorooms are presented as mushroom-shaped chocolate confections offering a delightful treat, while Uproll comprises triangular chocolates crafted to provide consumers with a positive and uplifting experience. Furthermore, consumer contests organised for Meiji further strengthened brand engagement and visibility, demonstrating the effectiveness of these activities in enhancing consumer interaction and reinforcing brand presence.



TaoKaeNoi also benefitted from heightened consumer engagement through an enhanced Thai Tuk Tuk pop-up concept, activated at prominent retailers such as Lotus, Aeon, Aeon Big, Village Grocer, Jaya Grocer, and Giant.

PAPER PACKAGING BUSINESS



TAT SENG PACKAGING GROUP LTD

Tat Seng Packaging Group Ltd, in which the Group holds a 64% stake, leads our paper packaging business. In FY2025, Tat Seng's net profit dropped 17.9% to S\$15.4 million as revenue fell 8.9% to S\$231.4 million, mainly due to tough competition in Singapore and China.

Singapore sales declined 7.9% to S\$42.3 million because of lower prices and volumes, while China revenue dropped 9.1% to S\$189.1 million, affected by intense competition, reduced sales volume, lower prices and a weaker Renminbi. Overcapacity in China's corrugated packaging market is expected to keep price pressure high. Rising raw material costs could further impact margins.

Moving ahead, the Group will focus on cost management, efficiency, and automation to address these challenges, while strengthening customer relationships to pursue new opportunities.

Tat Seng's directors propose a final dividend of 5.0 Singapore cents per share and a special dividend of 34.0 Singapore cents per share, which is subject to shareholders' approval at the upcoming AGM. If approved, the total payout for FY2025 will be 40.0 Singapore cents per share, taking into account an interim dividend of 1.0 Singapore cent per share that had been paid on 12 November 2025.



CORPORATE INFORMATION

BOARD OF DIRECTORS

DR GOI SENG HUI

Executive Chairman

MS YUI VIVIEN

Non-Executive and Independent Director

MR TAN LYE HENG PAUL

Non-Executive and Independent Director

MR TAN KIAN CHEW

Non-Executive and Independent Director

MR GOI KOK MING (WEI GUOMING)

Non-Executive and Non-Independent Director

AUDIT AND RISK COMMITTEE

MR TAN LYE HENG PAUL (Chairman)

MR TAN KIAN CHEW (Member)

MR GOI KOK MING (WEI GUOMING) (Member)

NOMINATING COMMITTEE

MS YUI VIVIEN (Chairman)

MR TAN LYE HENG PAUL (Member)

MR GOI KOK MING (WEI GUOMING) (Member)

REMUNERATION COMMITTEE

MR TAN KIAN CHEW (Chairman)

MS YUI VIVIEN (Member)

MR GOI KOK MING (WEI GUOMING) (Member)

COMPANY SECRETARIES

MS SIAU KUEI LIAN

MR TAN ZHI WEI

REGISTERED OFFICE

348 Jalan Boon Lay Singapore 619529

Tel: +65 6268 4822

Fax: +65 6266 2607

Email: corpcomms@psccorporation.com

Website: www.psccorporation.com

Company Registration Number: 197400888M

SHARE REGISTRAR

B.A.C.S. PRIVATE LIMITED

77 Robinson Road #06-03 Robinson 77

Singapore 068896

Tel: +65 6593 4848

AUDITORS

KPMG LLP

PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

12 Marina View #15-01

Asia Square Tower 2

Singapore 018961

MS VOO POH JEE

(Engagement Partner since financial year ended 31 December 2023)

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD, SINGAPORE BRANCH

OVERSEA-CHINESE BANKING CORPORATION LIMITED

DBS BANK LIMITED

UNITED OVERSEAS BANK LIMITED

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, appropriate explanations are provided and the Company will continue to assess its needs and implement appropriate measures accordingly.

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;
- overseeing the processes of risk management, financial reporting and compliance and evaluates the adequacy of internal controls;

CORPORATE GOVERNANCE STATEMENT

- 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 appropriate 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 as prescribed under Rule 720(7) of the Listing Rules of SGX-ST in order to meet the enhanced sustainability reporting rules.

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 conduct comprehensive and tailored induction orientation programmes for newly appointed Directors, covering their duties and obligations, including the business and organisational structure of the Group and its strategic directions. Newly appointed Directors will be briefed on the Group's operations and are encouraged to participate in site visits of the Group's operating units to familiarise themselves with the Group's business practices. Newly appointed Directors will be provided with a formal letter setting out their duties and obligations and upon his/her appointment be given opportunities to receive appropriate training to ensure that they are fully aware of their responsibilities and obligations of being a Director of public listed company in Singapore. 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/committees 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.

The Company Secretaries and their representatives regularly inform the Directors of any upcoming conferences, trainings 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.

CORPORATE GOVERNANCE STATEMENT

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 Secretaries and their 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 2025, 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 changes in the composition of the Board and 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.

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.

CORPORATE GOVERNANCE STATEMENT

Board Committees: To ensure that specific issues are subject to consideration and review before the Board makes its decision, the Board has established the Board Committees to assist the Board in carrying out more effectively its oversight function. The 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:

Directors	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Mr Tan Kian Chew	Member	–	Chairman
Mr Goi Kok Ming (Wei Guoming)	Member	Member	Member
Ms Yui Vivien	–	Chairman	Member
Mr Tan Lye Heng Paul	Chairman	Member	–

The Board Committees function within clearly written terms of reference including operating procedures, compositions, authorities and duties. 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 the 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 the Board Committees are set out in subsequent sections of this Corporate Governance Statement of the Company.

Board and Board Committees Meetings held in FY2025

Meetings: The attendance of the Directors at scheduled meetings held in FY2025 is disclosed below:

Name of Directors	Board	Board Committees			Annual General Meeting
		Audit and Risk	Nominating	Remuneration	
Dr Goi Seng Hui	3/3	2*/2	–	–	1
Mr Chandra Das S/O Rajagopal Sitaram ¹	1/1	1/1	1/1	1/1	1
Mr Tan Kian Chew ²	3/3	2/2	–	–	1
Mr Goi Kok Ming (Wei Guoming)	3/3	2/2	1/1	1/1	1
Mr Lim Swee Say ³	1/1	1/1	1*/1	1/1	–
Ms Yui Vivien	3/3	2*/2	1*/1	1/1	1
Mr Tan Lye Heng Paul	3/3	2/2	1/1	1*/1	1

Notes:

* Attendance by invitation of the relevant committees.

¹ Retired as Non-Executive and Independent Director, Chairman of Nominating Committee and a Member of Remuneration Committee and Audit and Risk Committee on 25 April 2025.

² Re-designated as Non-Executive and Independent Director on 25 April 2025.

³ Retired as Non-Executive and Independent Director, Chairman of Remuneration Committee and a Member of Audit and Risk Committee on 25 April 2025.

CORPORATE GOVERNANCE STATEMENT

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 Constitution of the Company 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 2025 were prepared in consultation with the Executive 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 Committees meetings.

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 five, 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, meeting materials 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.

CORPORATE GOVERNANCE STATEMENT

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 materials 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.

Board's access: The Directors have separate and independent access to the advice and services of the Management, Company Secretaries, 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 Secretaries has been clearly defined.

The Company Secretaries and their representatives attend to corporate secretarial administration matters. They assist the Board and Management in implementing and strengthening corporate governance policies and procedures. The Company Secretaries and their 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 the respective Board Committees Chairman, and attended Board and Board Committee meetings during the financial year. The appointment and removal of the Company Secretaries is subject to the Board's approval. The Board appointed a new Joint Company Secretary during the financial year.

The Board in exercising its responsibilities could as a group or as individuals, when deemed fit, direct the Company to seek and obtain independent professional advice, in the furtherance of their duties and the expenses of which are borne by the Company.

CORPORATE GOVERNANCE STATEMENT

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 five Directors comprising the Executive Chairman, one Non-Executive and Non-Independent Director and three Non-Executive and Independent Directors. Details of the board composition are set out as follows:

<u>Name of Director</u>	<u>Designation</u>	<u>Date of first appointment as Director</u>	<u>Date of last re-election as Director</u>	<u>Present Directorships in other listed companies</u>	<u>Past Directorships in listed companies held over the preceding three years</u>
Goi Seng Hui	<ul style="list-style-type: none"> Executive Chairman 	8 March 2021	28 April 2023	<ul style="list-style-type: none"> GSH Corporation Limited (Executive Chairman) JB Foods Limited (Vice Chairman) Tat Seng Packaging Group Ltd (Executive Chairman) Tung Lok Restaurants (2000) Ltd (Non-Executive and Non-Independent Director) 	<ul style="list-style-type: none"> Envictus International Holdings Limited (Vice Chairman)
Goi Kok Ming (Wei Guoming)	<ul style="list-style-type: none"> Non-Executive and Non-Independent Director Member of Nominating Committee, Remuneration Committee and Audit and Risk Committee 	10 August 2012	25 April 2025	<ul style="list-style-type: none"> GSH Corporation Limited (Executive Director) Union Steel Holdings Limited (Non-Executive Director) Serial System Ltd (Non-Executive Director) 	–
Tan Kian Chew	<ul style="list-style-type: none"> Non-Executive and Independent Director Chairman of Remuneration Committee Member of Audit and Risk Committee 	5 May 2021	25 April 2024	–	<ul style="list-style-type: none"> Japfa Ltd. (Independent Director)

CORPORATE GOVERNANCE STATEMENT

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
Yui Vivien	<ul style="list-style-type: none"> • Non-Executive and Independent Director • Chairman of Nominating Committee • Member of Remuneration Committee 	1 July 2022	28 April 2023	–	–
Tan Lye Heng Paul	<ul style="list-style-type: none"> • Non-Executive and Independent Director • Chairman of Audit and Risk Committee • Member of Nominating Committee 	25 April 2024	–	<ul style="list-style-type: none"> • AJJ Medtech Holdings Limited (Non-Executive and Independent Director) • Tat Seng Packaging Group Ltd (Non-Executive and Independent Director) 	<ul style="list-style-type: none"> • Serial System Ltd (Lead Independent Director) • Pollux Properties Ltd. (Independent Director) • Second Chance Properties Ltd (Independent Director)

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

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 three 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.

None of the Independent Directors has served on the Board beyond nine years from the date of his/her appointment.

CORPORATE GOVERNANCE STATEMENT

Similarly, the NC has reviewed the independence status of the Independent Directors for FY2025, and is satisfied that Mr Tan Kian Chew, Ms Yui Vivien and Mr Tan Lye Heng Paul (“**Mr Paul Tan**”) are independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of SGX-ST. Each NC member has abstained from participating in the discussion and voting on any resolution in relation to his/her independence.

As at the date of this report, Dr Goi Seng Hui (“**Dr Goi**”) and Mr Paul Tan 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: As at the date of this report, the composition of the Board 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 of 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 current Board comprises of members from different age groups, reflecting a diverse mix of gender, age, skills and knowledge.

CORPORATE GOVERNANCE STATEMENT

<u>Board Diversity Criteria</u>	<u>No. of Members</u>	<u>Proportion of Board as at the date of this report</u>
Independence		
– Executive	1	20%
– Non-Executive and Independent	3	60%
– Non-Executive and Non-Independent	1	20%
Gender		
– Male	4	80%
– Female	1	20%
Age		
– 50 to 60 years	2	40%
– 60 to 70 years	1	20%
– 70 to 80 years	2	40%
Length of Service		
– Below 9 years	4	80%
– 9 years and above	1	20%
Core Competencies		
– Financial	1	20%
– Corporate and business management	3	60%
– Legal	1	20%

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.

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.

CORPORATE GOVERNANCE STATEMENT

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 and complied in FY2025 that at least 10% of the total number of board seats should be reserved for women. In terms of age diversity, the composition of the Board shall include Directors from different age groups. 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.

During the financial year, the NC has assessed the current level of diversity on the Board to be satisfactory, taking into consideration the composition of the Board which comprises Directors who have the appropriate balance and diversity of skills, gender, knowledge of the Company, expertise and experience to function effectively and make informed decisions overseeing the Group's business. The Company has 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 greater 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. The profile of each Director including their academic and professional qualifications and other appointments is presented on pages 4 to 6 of this Annual Report.

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, 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.

Save for Mr Paul Tan, who sits on the board of Tat Seng, none of the Company's Independent Directors has, to date, been appointed as Director of the Company's principal subsidiaries.

CORPORATE GOVERNANCE STATEMENT

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. To assist the Executive Chairman, Ms Koh Poh Yeok (“**Ms Koh**”), the Chief Financial Officer (“**CFO**”) of the Company is responsible for the overall daily operations, strategic growth and business 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 Secretaries and their 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 Secretaries and their 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 Secretaries and their representatives, ensuring that board meetings are held when necessary;
- facilitating effective contributions from 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.

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.

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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 or the Chief Financial Officer has failed to resolve or such contact is inappropriate or inadequate.

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 Dr Goi and 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. Upon both their recusal, the 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.

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:

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

Mr Tan Lye Heng Paul (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.

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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.
- 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 recommend Directors who are retiring by rotation to be put forward for re-election.
- 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.
- To set the objectives for achieving board diversity and reviewing the Company's progress towards achieving these objectives.

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.

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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

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.

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 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. The NC has reviewed the independence status of the Independent Directors during FY2025, and is satisfied that the three Independent Directors are independent in accordance with Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Rules of SGX-ST.

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.

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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. In FY2025, the retiring Directors are Dr Goi and Ms Yui who will retire pursuant to Regulation 87 of the Constitution of the Company. Dr Goi and Ms Yui are eligible for re-election and have expressed their intentions to seek for re-election at the forthcoming AGM. Dr Goi and Ms Yui have abstained from voting on the resolutions and making recommendations and/or participating in any deliberations in respect of their re-nomination as Directors. The details of the Directors seeking for re-election are found in Table A set out on pages 60 to 64 of this Annual Report.

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 five, 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 pages 31 to 32 of this Annual Report.

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

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's 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 the 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.

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Based on the recommendations of the NC, the Board has implemented a formal 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 FY2025.
- (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 FY2025.
- (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 formally 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 FY2025.

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.

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Following the review of FY2025, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

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 three members, majority of whom are independent:

Mr Tan Kian Chew (Chairman, 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)

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, CEO 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, CEO 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;
- 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;
- considering all aspects of remuneration (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind, termination terms and payments) are covered for the Directors and KMP, taking into consideration the Principles and Provisions of the 2018 Code, to ensure they are fair;
- 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

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- 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 with a view to being fair and avoiding the reward of poor performance.

The RC members are knowledgeable in the field of executive compensation and 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 and KMP. The RC will have access to independent expert advice from external consultants, where necessary. There was no termination of any KMP during FY2025.

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: During FY2025, the RC did not seek external advice nor appoint any remuneration consultant in its review of the remuneration of the Directors, as it was of the view that the existing remuneration framework remained appropriate and competitive, taking into account the Company's size, industry benchmarks and prevailing market conditions. In 2026, the RC will engage Mercer Singapore Pte. Ltd. ("**Mercer**") as an external remuneration consultant to undertake a comprehensive and independent review of the Directors and KMP's remuneration framework. This engagement reflects the RC's commitment to periodically benchmarking its remuneration practices against evolving market standards and strengthening alignment between remuneration and the Company's long-term strategic objectives. It is also intended to support the continued attraction, retention and motivation of high-calibre Directors, while reinforcing pay-for-performance principles and sustainable value creation for shareholders. Mercer does not have any relationship with the Company that would affect its independence and objectivity.

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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.

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: All 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.

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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 and KMP, the Company will review the necessity to include such contractual provisions to reclaim such incentive components of remuneration paid in prior years to the Executive Chairman 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.

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

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 selected 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 FY2025, 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.

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(i) Remuneration of Directors

A breakdown of the total remuneration of each Director of the Company for the financial year ended 31 December 2025 is set out below:

<u>Name of Director</u>	<u>Base Salary</u>	<u>Bonus</u>	<u>Profit-Sharing</u>	<u>Directors' Fees¹</u>	<u>Allowance²</u>	<u>Total</u>
Dr Goi Seng Hui ³	\$360,001	\$30,000	\$668,776	–	\$7,110	\$1,065,887
Mr Chandra Das S/O Rajagopal Sitaram ⁴	–	–	–	\$20,480	–	\$20,480
Mr Lim Swee Say ^{3,5}	–	–	–	\$29,700	–	\$29,700
Ms Yui Vivien	–	–	–	\$49,692	–	\$49,692
Mr Tan Lye Heng Paul ³	–	–	–	\$99,500	–	\$99,500
Mr Goi Kok Ming (Wei Guoming) ⁶	–	–	–	\$47,500	–	\$47,500
Mr Tan Kian Chew ⁷	–	–	–	\$49,692	–	\$49,692

Notes:

- ¹ Directors' fees were approved at the AGM of the Company.
- ² Employer's CPF contribution and other compensation are included.
- ³ Including remuneration from its listed subsidiary, Tat Seng Packaging Group Ltd.
- ⁴ Retired as Non-Executive and Independent Director, Chairman of Nominating Committee and a Member of Remuneration Committee and Audit and Risk Committee on 25 April 2025.
- ⁵ Retired as Non-Executive and Independent Director, Chairman of Remuneration Committee and a Member of Audit and Risk Committee on 25 April 2025.
- ⁶ 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.
- ⁷ Re-designated as Non-Executive and Independent Director on 25 April 2025.

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 Directors and the factors taken into account for the remuneration of the Independent Directors. In addition, the remuneration of KMP (who are not Directors or the CEO) has been presented in bands no wider than S\$250,000 together with disclosure of breakdown of the level and mix of remuneration, which allowing shareholders to understand the Company's remuneration policies in relation to its KMP (who are not Directors or the CEO). The Company has decided not to disclose information on the remuneration of the KMP in exact amounts 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 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 KMP (who are not Directors or the CEO).

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.

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Shareholders' approval will be sought at the forthcoming AGM of the Company on 24 April 2026 for the payment of Directors' fees proposed (to be paid semi-annually in arrears) for the financial year ending 31 December 2026 up to an aggregate of S\$225,000.

(ii) Remuneration of Key Management Personnel

The breakdown of the total remuneration of the KMP (who are not Directors or CEO of the Company) of the Group for the financial year ended 31 December 2025 is set out below:

Key Management Personnel	Base Salary	Bonus	Profit Sharing	Directors' Fees	Allowance ¹	Total
S\$2,000,001 to S\$2,250,000						
Mr Loh See Moon ²	25%	2%	57%	–	16%	100%
S\$500,001 to S\$750,000						
Mr Tan Chin Sing	59%	20%	–	–	21%	100%
S\$250,001 to S\$500,000						
Mdm Cheong Poh Hua	37%	3%	38%	–	22%	100%
Ms Koh Poh Yeok	67%	6%	22%	–	5%	100%
Mr Ching Yong Hai	67%	6%	18%	–	9%	100%
S\$250,000 and below						
Ms Teoh Sin Ling	46%	4%	40%	–	10%	100%

Notes:

¹ Employer's CPF contribution and other compensation are included.

² Retired on 2 March 2026.

The aggregate total remuneration paid to the KMP (who are not Directors or CEO of the Company) for the financial year ended 31 December 2025 was S\$4,091,149.

(iii) Remuneration of Immediate Family Members of Directors and CEO

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 2025.

The RC and the Board have considered and are of the view that the Company's remuneration packages are appropriate and fair.

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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.

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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 2025, 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 FY2025, 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 2025 to address the risks that the Group considers relevant and material to its operations.

The Group recognises that effective technology governance is critical to business resilience and stakeholder trust. A framework has been established to manage IT risks, including cybersecurity, data protection and broader technology oversight. Cybersecurity measures safeguard information systems and digital assets through regular risk assessments, security monitoring, incident response procedures and staff awareness programs. In line with Singapore's Personal Data Protection Act and other applicable regulations, personal data is protected through access controls, encryption, audits and ongoing training. The Board and Senior Management oversee IT policies and risk management practices, ensuring alignment with strategic objectives, continuous monitoring and periodic reviews to maintain operational integrity and compliance. These initiatives strengthen operational resilience, mitigate IT-related risks and foster trust in the responsible use of technology across all business operations of the Group.

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 three members, majority of whom are independent. A majority of the members, including the ARC Chairman, have relevant accounting or related financial management expertise or experience.

Mr Tan Lye Heng Paul (Chairman, Non-Executive and Independent Director)

Mr Tan Kian Chew (Member, Non-Executive and 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. In line with Provision 10.3 of the 2018 Code, 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 auditing 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.

CORPORATE GOVERNANCE STATEMENT

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.

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;
- pre-approving all audit and non-audit services to be provided to the Group by 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.

CORPORATE GOVERNANCE STATEMENT

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.

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 FY2025 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 2025 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.

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.

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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 pages 69 to 71 of this Annual Report.

The ARC has discussed the KAM for FY2025 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\$712,000 and S\$171,000 respectively for the financial year ended 31 December 2025.

The ARC has undertaken a review of the service, scope, independence and objectivity of the external auditors. Messrs 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 Messrs KPMG LLP is able to meet the audit requirements and statutory obligation of the Company.

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

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.

CORPORATE GOVERNANCE STATEMENT

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 FY2025. The whistle-blowing policy can be found at the Company's website at the URL <http://www.psccorporation.com/whistleblowing-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.

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;

CORPORATE GOVERNANCE STATEMENT

- 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.

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 forthcoming 52nd AGM of the Company to be held in respect of FY2025 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 Secretaries 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.

CORPORATE GOVERNANCE STATEMENT

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 Secretaries and their 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.

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.

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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 through 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.
- 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.

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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 2025.

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 released via SGXNet and uploaded at the Company's website.

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.

CORPORATE GOVERNANCE STATEMENT

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 FY2025.

TABLE A – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

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

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Ms Yui Vivien ("Ms Yui")
Date of appointment	8 March 2021	1 July 2022
Date of last re-appointment (if applicable)	28 April 2023	28 April 2023
Age	79	53
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board considered the Nominating Committee's recommendation and assessment on Dr Goi's qualifications, extensive experiences and commitment in discharge of his duties as Executive Chairman, and is satisfied that he will continue to contribute positively to the Company	The Board considered the Nominating Committee's recommendation and assessment on Ms Yui's qualifications, extensive experiences and commitment in discharge of her duties as Non-Executive and Independent Director, and is satisfied that she will continue to contribute positively to the Company

CORPORATE GOVERNANCE STATEMENT

Name of Director	Dr Goi Seng Hui ("Dr Goi")	Ms Yui Vivien ("Ms Yui")
Whether appointment is executive, and if so, the area of responsibility	Executive – to provide leadership, stewardship and direction to the Board through making business recommendation and facilitating the overall strategic direction of the Company and deliberations of the Board	Non-Executive
Job title	Executive Chairman	Non-Executive and Independent Director, Chairman of Nominating Committee and a Member of Remuneration Committee
Professional qualifications	Honorary Doctorate from Singapore University of Technology & Design, 2021	Singapore Bar Bachelor of Laws Second Class (Upper Division) Honours from National University of Singapore
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	Father of Mr Kenneth Goi, Non-Executive and Non-Independent Director of the Company	None

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Name of Director	Dr Goi Seng Hui ("Dr Goi")	Ms Yui Vivien ("Ms Yui")
Conflict of interest (including any competing business)	Dr Goi is a Director and Substantial Shareholder of the listed companies, GSH Corporation Limited, JB Foods Limited and Tung Lok Restaurants (2000) Ltd Dr Goi is not aware of any competition with the Company in the business by his current list of directorships	None
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • Executive Chairman of Tat Seng Packaging Group Ltd, Tee Yih Jia Food Manufacturing Pte Ltd and GSH Corporation Limited • Investments across a range of listed and private entities in numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics 	<ul style="list-style-type: none"> • 2003 to Present – WongPartnership LLP (Singapore)
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	<p><i>Company</i> Direct Interest – 455,212,880 shares</p> <p><i>Listed Subsidiary – Tat Seng Packaging Group Ltd</i> Direct Interest – 39,159,501 shares Deemed Interest – 100,529,000 shares</p>	No, Ms Yui does not hold any shares in the Company and its subsidiaries

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Name of Director	Dr Goi Seng Hui ("Dr Goi")	Ms Yui Vivien ("Ms Yui")
Other principal commitments including directorships	<p data-bbox="592 495 895 521"><i>Past (for the last 5 years)</i></p> <ul data-bbox="592 566 983 857" style="list-style-type: none"> • Junhe Investment Pte. Ltd. • Envictus International Holdings Limited • Hydrex International Pte. Ltd. • Green Vantage Properties Sdn. Bhd. • Rumah & Co. Pte Ltd • Sedar Properties Pte Ltd <p data-bbox="592 902 687 929"><i>Present</i></p> <ul data-bbox="592 974 983 1601" style="list-style-type: none"> • GSH Corporation Limited • JB Foods Limited • Tat Seng Packaging Group Ltd • Tung Lok Restaurants (2000) Ltd • Advanced Prestige Sdn Bhd • Altheim International Limited • City View Ventures Sdn Bhd • Eastworth Source Sdn Bhd • Investasia Sdn Bhd • Linyi Properties Sdn Bhd • Mainfield Holdings Limited • Mewabumi Sdn Bhd • MXIM Holdings Pte Ltd • Rainbow Properties Sdn Bhd • Sutera Harbour Golf & Country Club Berhad 	<p data-bbox="1023 495 1326 521"><i>Past (for the last 5 years)</i></p> <ul data-bbox="1023 566 1417 633" style="list-style-type: none"> • Council Member of Growing Together with Kidstart <p data-bbox="1023 902 1118 929"><i>Present</i></p> <ul data-bbox="1023 974 1417 1453" style="list-style-type: none"> • Partner of Wong Partnership LLP (Singapore) • Director of Pas Deux Holdings Pte Ltd • Director of Procyon Investment Pte Ltd • Director of WPGrowth Pte. Ltd. • Director of Woodlands Health Fund Limited • Member of The Corporate Service Providers Advisory Panel, a standing advisory panel established by ACRA

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Name of Director	Dr Goi Seng Hui ("Dr Goi")	Ms Yui Vivien ("Ms Yui")
	<ul style="list-style-type: none"> • Sutera Harbour Travel Sdn Bhd • Sutera Harbour Resort Sdn Bhd • Sutera Yacht Services Sdn Bhd • The Little Shop Sdn Bhd • The Sutera Harbour Group Sdn Bhd • Xing Asia Impel Sdn Bhd • Acelink Logistics Pte Ltd • China World Agents Limited • Chinatown Food Corporation Pte Ltd • Desaru Property Development Sdn Bhd • Fujian Guanhui Food Enterprise Co Ltd • Fujian Mingwei Food Enterprise Co Ltd • Guan Hui Food Enterprise Company Limited • Maker Food Manufacturing Pte Ltd • New Straits Holdings Pte Ltd • Oregold Pte Ltd • Ritz Properties Sdn Bhd • Ryushobo (S) Pte Ltd • T&T Gourmet Cuisine Pte Ltd • Tee Yih Jia Food Manufacturing Pte Ltd • Tee Yih Jia Food Manufacturing Sdn Bhd • Twin Investment Pte Ltd • TYJ Group Pte Ltd • TYJ International Pte Ltd • Vive La Sdn Bhd 	

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

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DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages 73 to 165 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Goi Seng Hui
 Yui Vivien
 Tan Lye Heng Paul
 Tan Kian Chew
 Goi Kok Ming (Wei Guoming)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of Director	Direct Interest			Deemed Interest		
	At beginning of financial year	At end of financial year	At 21 January 2026	At beginning of financial year	At end of financial year	At 21 January 2026
Ordinary shares of the Company						
Goi Seng Hui	173,529,804	454,667,880	455,015,380	–	–	–
Tan Lye Heng Paul	20,000	–	–	–	–	–
Ordinary shares of Tat Seng Packaging Group Ltd						
Goi Seng Hui ⁽¹⁾	409,700	39,159,501	39,159,501	100,529,000	100,529,000	100,529,000

Note:

- (1) Dr Goi Seng Hui is deemed to be interested in 100,529,000 shares in Tat Seng Packaging Group Ltd that is held by the Company by virtue of Section 7(4A) of the Companies Act 1967.

DIRECTORS' STATEMENT

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

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

Share options

During the financial year, there were:

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

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

Audit and Risk Committee

The members of the Audit and Risk Committee ("ARC") during the year and at the date of this statement are:

- Tan Lye Heng Paul, Non-Executive and Independent Director
- Tan Kian Chew, Non-Executive and Independent Director
- Goi Kok Ming (Wei Guoming), Non-Executive and Non-Independent Director

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

The ARC has held two (2) meetings since the last directors' statement. In performing its functions, the ARC met with the Company's external and internal auditors to discuss the scope of their work, the results of their respective examinations and evaluation of the Company's internal accounting control system.

The ARC also reviewed the following:

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

DIRECTORS' STATEMENT

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associates, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

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

On behalf of the Board of Directors

Goi Seng Hui

Director

Tan Lye Heng Paul

Director

2 April 2026

INDEPENDENT AUDITORS' REPORT

Members of the Company
PSC Corporation Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PSC Corporation Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 73 to 165.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code, as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment assessment of property, plant and equipment, right-of-use assets, investment properties and intangible assets (collectively, the Group's non-financial assets)

(Refer to Note 4, 5 and 6 to the financial statements)

INDEPENDENT AUDITORS' REPORT

Risk

As at 31 December 2025, the net carrying amount of the Group's non-financial assets amounted to S\$161 million (2024: S\$168 million), representing 77% (2024: 78%) of Group's total non-current assets. Management concluded that there were indications of impairment on one cash generating unit ("CGU") whilst four other CGUs are subject to mandatory annual impairment testing.

In testing whether the Group's non-financial assets' carrying amounts are impaired, these being predominantly leasehold lands and building, plant and machinery, investment properties and goodwill, the carrying amounts of all assets in the abovementioned CGUs are compared to the amounts that are expected to be recoverable from each CGU.

The recoverable amount of each of these CGUs is determined based on their value-in-use calculations, which involve significant judgement in respect of key assumptions. The assessment of the judgements made over these key assumptions is a key focus area of our audit.

Our response

We discussed impairment indicators with management. We evaluated whether the CGUs with impairment indicators were appropriately identified by management based on our understanding of the current business environment which the Group operates in.

We evaluated the key assumptions used in the cash flow forecasts for the assessment of the recoverable amount of the CGUs against historical performance, management-approved budgets and plans, and relevant external market benchmarks. These key assumptions include revenue growth rate and gross profit margin. We compared the forecast growth rate used to historical results and external market benchmarks. We also made inquiries with management regarding their future plans for the CGUs.

We performed sensitivity analyses over key assumptions, being revenue growth rate and gross profit margin used in estimating value-in-use of the respective CGUs.

Our findings

We found the key assumptions used by management to be within a supportable range. The impairment loss recognised by management during the year amounting to \$749,000 is adequate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Voo Poh Jee.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

2 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Property, plant and equipment	4	156,518	162,070	41,694	43,685
Intangible assets	5	1,001	1,897	–	–
Investment properties	6	3,344	4,047	–	–
Subsidiaries	7	–	–	39,799	40,548
Associates	8	–	–	–	–
Other financial assets	9	44,785	43,911	327	315
Deferred tax assets	10	2,173	2,817	–	32
Trade and other receivables	13	278	304	–	–
Non-current assets		208,099	215,046	81,820	84,580
Other financial assets	9	11,071	6,403	155	470
Current tax assets		265	209	–	–
Inventories	11	58,941	54,666	1	1
Bills receivable	12	25,961	34,539	–	–
Trade and other receivables	13	89,960	87,986	76,768	38,294
Cash on hand and in banks	15	213,149	200,087	56,006	87,174
Current assets		399,347	383,890	132,930	125,939
Total assets		607,446	598,936	214,750	210,519
Equity					
Share capital	16	177,302	177,302	177,302	177,302
Reserves	16	172,989	159,052	17,449	13,102
Equity attributable to owners of the Company		350,291	336,354	194,751	190,404
Non-controlling interests	17	91,331	87,777	–	–
Total equity		441,622	424,131	194,751	190,404
Liabilities					
Loans and borrowings	18	24,672	24,201	12,525	12,812
Trade and other payables	21	–	800	–	–
Deferred income	20	893	1,210	38	94
Deferred tax liabilities	10	6,236	6,847	219	–
Non-current liabilities		31,801	33,058	12,782	12,906
Loans and borrowings	18	60,557	64,752	369	371
Current tax liabilities		3,012	5,671	872	975
Trade and other payables	21	70,148	70,991	5,920	5,807
Deferred income	20	306	333	56	56
Current liabilities		134,023	141,747	7,217	7,209
Total liabilities		165,824	174,805	19,999	20,115
Total equity and liabilities		607,446	598,936	214,750	210,519

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Revenue	22	477,190	488,649
Cost of sales		<u>(364,435)</u>	<u>(371,568)</u>
Gross profit		112,755	117,081
Other income	23	5,604	6,082
Distribution expenses		(51,038)	(48,665)
Administrative expenses		(35,405)	(36,583)
Impairment losses of trade and other receivables (net)		(217)	(342)
Other expenses	24	<u>(1,116)</u>	<u>(4,200)</u>
Results from operating activities		30,583	33,373
Finance income		6,758	7,350
Finance costs		<u>(1,846)</u>	<u>(2,508)</u>
Net finance income	26	4,912	4,842
Profit before tax		35,495	38,215
Tax expense	27	<u>(6,419)</u>	<u>(7,895)</u>
Profit for the year	25	<u>29,076</u>	<u>30,320</u>
Profit attributable to:			
Owners of the Company		21,624	22,753
Non-controlling interests		<u>7,452</u>	<u>7,567</u>
Profit for the year		<u>29,076</u>	<u>30,320</u>
Earnings per share			
Basic earnings per share (cents)	28	3.97	4.17
Diluted earnings per share (cents)	28	<u>3.97</u>	<u>4.17</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	2025 \$'000	2024 \$'000
Profit for the year	29,076	30,320
Other comprehensive income – items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences of foreign operations	(198)	2,015
Other comprehensive income for the year, net of tax	(198)	2,015
Other comprehensive income – items that will not be reclassified subsequently to profit or loss		
Equity investment FVOCI – net change in fair value	12	28
Other comprehensive income for the year, net of tax	12	28
Total comprehensive income for the year	28,890	32,363
Total comprehensive income attributable to:		
Owners of the Company	22,116	24,792
Non-controlling interests	6,774	7,571
Total comprehensive income for the year	28,890	32,363

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Group	Attributable to			
	Share capital	Treasury shares	Other reserves	Statutory reserves
	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	184,325	(7,023)	1,586	12,727
Total comprehensive income for the year				
Profit for the year	-	-	-	-
Other comprehensive income				
Foreign currency translation differences of foreign operations	-	-	-	-
Net change in fair value – equity investments at FVOCI	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners, recognised directly in equity				
Distributions to owners				
Dividends paid (Note 16)	-	-	-	-
Total distributions to owners	-	-	-	-
Changes in ownership interests in subsidiaries				
Acquisition of subsidiaries with non-controlling interests (Note 30)	-	-	-	-
Recognition of put option granted by non-controlling interests (Note 30)	-	-	(209)	-
Total changes in ownership interests in subsidiaries	-	-	(209)	-
Total transactions with owners	-	-	(209)	-
At 31 December 2024	184,325	(7,023)	1,377	12,727

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

owners of the Company

Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
57	(12,972)	143,977	322,677	81,378	404,055
–	–	22,753	22,753	7,567	30,320
–	2,011	–	2,011	4	2,015
28	–	–	28	–	28
28	2,011	–	2,039	4	2,043
28	2,011	22,753	24,792	7,571	32,363
–	–	(10,906)	(10,906)	(4,361)	(15,267)
–	–	(10,906)	(10,906)	(4,361)	(15,267)
–	–	–	–	3,189	3,189
–	–	–	(209)	–	(209)
–	–	–	(209)	3,189	2,980
–	–	(10,906)	(11,115)	(1,172)	(12,287)
85	(10,961)	155,824	336,354	87,777	424,131

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Group	Attributable to			
	Share capital	Treasury shares	Other reserves	Statutory reserves
	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	184,325	(7,023)	1,377	12,727
Total comprehensive income for the year				
Profit for the year	-	-	-	-
Other comprehensive income				
Foreign currency translation differences of foreign operations	-	-	-	-
Net change in fair value – equity investments at FVOCI	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Transactions with owners, recognised directly in equity				
Distributions to owners				
Dividends paid (Note 16)	-	-	-	-
Total distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Transfer between reserves				
Appropriation of retained earnings to statutory reserve fund	-	-	-	19
At 31 December 2025	184,325	(7,023)	1,377	12,746

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

owners of the Company

Fair value reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
85	(10,961)	155,824	336,354	87,777	424,131
-	-	21,624	21,624	7,452	29,076
-	480	-	480	(678)	(198)
12	-	-	12	-	12
12	480	-	492	(678)	(186)
12	480	21,624	22,116	6,774	28,890
-	-	(8,179)	(8,179)	(3,220)	(11,399)
-	-	(8,179)	(8,179)	(3,220)	(11,399)
-	-	(8,179)	(8,179)	(3,220)	(11,399)
-	-	(19)	-	-	-
97	(10,481)	169,250	350,291	91,331	441,622

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the year		29,076	30,320
Adjustments for:			
Amortisation of deferred income	20	(328)	(353)
Amortisation of intangible assets	5	133	133
Depreciation of investment properties	6	81	73
Depreciation of property, plant and equipment	4	16,918	16,744
Dividend income	26	(1,276)	(367)
Impairment of goodwill	5	749	1,300
Impairment loss on trade and other receivables (net)		217	342
Interest income	26	(4,800)	(6,983)
Interest expense	26	1,846	2,049
Inventories written down/(write-back)	25	239	(73)
Gain on disposal of investment properties		(147)	–
Gain on disposal of property, plant and equipment	25	(158)	(104)
Bargain purchase arising from acquisition of subsidiaries	30	–	(1,958)
Net (increase)/decrease in fair value of financial assets at fair value through profit or loss	26	(682)	459
Property, plant and equipment written off	25	67	168
Tax expense		6,419	7,895
Unrealised exchange gain		(93)	(555)
		48,261	49,090
Changes in:			
– Inventories		(4,053)	(4,270)
– Bills receivable		8,012	(493)
– Trade and other receivables		(2,623)	(1,137)
– Trade and other payables		(3,288)	5,794
Cash generated from operations		46,309	48,984
Tax paid		(9,158)	(5,786)
Net cash from operating activities		37,151	43,198
Cash flows from investing activities			
Acquisition of other financial assets		(31,465)	(32,768)
Acquisition of subsidiaries, net of cash	30	–	1,106
Interest received		4,932	7,373
Dividend received		1,435	209
Proceeds from disposal of financial assets at fair value through profit or loss		319	21
Proceeds from disposal of investment properties		1,924	–
Proceeds from disposal of property, plant and equipment		811	338
Proceeds from maturity and redemption of other financial assets		26,467	–
Purchase of property, plant and equipment		(11,436)	(6,887)
Net cash used in investing activities		(7,013)	(30,608)
Cash flows from financing activities			
Changes in pledged deposits		(601)	2,006
Dividends paid to owners of the Company		(8,179)	(10,906)
Dividends paid to non-controlling interests		(3,220)	(4,361)
Interest paid		(1,854)	(2,052)
Payment of lease liabilities		(2,020)	(1,724)
Proceeds from loans and borrowings		89,900	99,951
Repayment of loans and borrowings		(91,090)	(108,958)
Net cash used in financing activities		(17,064)	(26,044)
Net increase/(decrease) in cash and cash equivalents		13,074	(13,454)
Cash and cash equivalents at 1 January		192,419	206,199
Effect of exchange rate fluctuations on cash held		(510)	(326)
Cash and cash equivalents at 31 December	15	204,983	192,419

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 April 2026.

1. DOMICILE AND ACTIVITIES

PSC Corporation Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 348 Jalan Boon Lay, Singapore 619529.

The financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The Company is primarily involved in the supply of provisions and household consumer products. The Company also provides management services to its subsidiaries. The principal activities of the significant subsidiaries are set out in note 7 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the material accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

There are no critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Information about assumptions and judgement that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – impairment test of property, plant and equipment and right-of-use assets: key assumptions underlying recoverable amounts;
- Note 5 – impairment test of goodwill: key assumptions underlying recoverable amounts; and
- Note 6 – impairment test of investment properties: key assumptions underlying recoverable amounts.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Chief Financial Officer has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable.

The Chief Financial Officer regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuation or broker quotes or pricing services, is used to measure fair values, then the Chief Financial Officer assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 6 – Investment properties; and

Note 19 – Financial instruments.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied Amendments to SFRS(I) 1-21 Lack of Exchangeability for the first time for the annual period beginning on 1 January 2025.

The application of these amendments to accounting standards does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed in Note 2.5, which addresses changes in material accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- consideration transferred generally measured at fair value; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt and equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

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

(v) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs/income. However, foreign currency differences arising from translation of the following items are recognised in other comprehensive income ("OCI"):

- an investment in equity securities designated as at fair value through OCI ("FVOCI"); and
- qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Non-derivative financial assets comprise other financial assets, bills receivable, trade and other receivables (excluding prepayments and advances to suppliers, VAT/GST receivables and tax recoverable) and cash on hand and in banks.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses (Continued)

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as a FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (Continued)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

For the purpose of the consolidated statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

Where share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(vii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover. Liabilities arising from financial guarantees are included within "loans and borrowings".

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land, installation-in-progress and construction-in-progress are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

• freehold buildings	50 years
• leasehold land and buildings	18 to 50 years
• leasehold improvements	22 to 44 years
• renovations	2 to 10 years
• furniture, fittings and office equipment	3 to 13 years
• warehouse equipment	4 to 10 years
• plant and machinery	5 to 20 years
• motor vehicles	2 to 10 years
• computers	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets and goodwill (Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(iv) Other intangible assets

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

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimate useful lives for the current and comparative years of customer relationships are 4 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Investment properties are measured at cost less accumulated depreciation.

The freehold land component of the investment properties is not depreciated. The freehold building component and leasehold properties are depreciated on a straight-line basis over 50 years.

Depreciation method, useful life and residual value are reviewed at the end of each reporting period, and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases (Continued)

As a lessee (Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Inventories

(i) Trading goods and manufactured consumer products

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost formula and includes expenditure incurred in acquiring the inventories, production and conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Inventories (Continued)

(i) Trading goods and manufactured consumer products (Continued)

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

(ii) Manufactured corrugated paper products

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured on a specific identification basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.9 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- intra-group financial guarantee contracts ("FGC").

Loss allowances of the Group are measured on either of the following basis:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade and bill receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Company Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount for the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Government grants

Government grants are recognised initially as deferred income at their fair value where there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.12 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Retirement benefits

In accordance with the regulations of the People's Republic of China (the "PRC") Government, the subsidiaries are required to contribute employee retirement benefits to the relevant authority. The contributions are calculated based on directives issued by the relevant authority and are charged to profit or loss when incurred.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue (Continued)

Goods and services sold (Continued)

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual stand-alone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those PO.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

3.14 Finance income and finance costs

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income; and
- the net gain or loss on financial assets at FVTPL.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Finance income and finance costs (Continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Tax (Continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest, may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 New standards and interpretations not adopted

Amendment to standards is effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) **SFRS(I) 18 *Presentation and Disclosure in Financial Statements***

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 New standards and interpretations not adopted (Continued)

(i) SFRS(I) 18 Presentation and Disclosure in Financial Statements (Continued)

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

(ii) Other accounting standards

The Group is in the process of assessing the potential impact of the amendments on adopting the following new or amended accounting standards:

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- *Annual Improvements to SFRS(I)s-Volume 11*
- SFRS(I) 19: *Subsidiaries without Public Accountability: Disclosures*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land \$'000	Freehold buildings \$'000	Leasehold land and buildings \$'000	Leasehold improvements \$'000	Renovations \$'000
Cost					
At 1 January 2024	913	8,083	132,711	5,949	6,344
Assets acquired in business combination (Note 30)	–	–	3,828	–	671
Additions	978	–	2,619	–	397
Disposals	–	–	–	–	–
Reclassification	–	–	8,942	–	–
Write-offs	–	–	–	–	–
Modification/Derecognition of right-of-use asset	–	–	–	–	–
Effect of movements in exchange rates	152	349	311	–	74
At 31 December 2024	2,043	8,432	148,411	5,949	7,486
At 1 January 2025	2,043	8,432	148,411	5,949	7,486
Additions	11	–	318	–	6
Disposals	–	–	–	–	–
Reclassification	–	–	–	–	–
Transfer to investment properties (Note 6)	(1,088)	–	–	–	–
Write-offs	–	–	(29)	–	–
Modification/Derecognition of right- of-use asset	–	–	(400)	–	–
Effect of movements in exchange rates	82	249	(702)	–	59
At 31 December 2025	1,048	8,681	147,598	5,949	7,551
Accumulated depreciation and impairment losses					
At 1 January 2024	–	3,457	39,355	2,950	4,519
Depreciation charge for the year	–	111	6,027	147	485
Disposals	–	–	–	–	–
Write-offs	–	–	–	–	–
Derecognition of right-of-use asset	–	–	–	–	–
Effect of movements in exchange rates	–	58	165	–	32
At 31 December 2024	–	3,626	45,547	3,097	5,036
At 1 January 2025	–	3,626	45,547	3,097	5,036
Depreciation charge for the year	–	116	6,354	147	481
Disposals	–	–	–	–	–
Write-offs	–	–	(26)	–	–
Derecognition of right-of-use asset	–	–	(206)	–	–
Effect of movements in exchange rates	–	47	(197)	–	29
At 31 December 2025	–	3,789	51,472	3,244	5,546
Carrying amounts					
At 1 January 2024	913	4,626	93,356	2,999	1,825
At 31 December 2024	2,043	4,806	102,864	2,852	2,450
At 31 December 2025	1,048	4,892	96,126	2,705	2,005

Furniture, fittings and office equipment \$'000	Warehouse equipment \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Computers \$'000	Construction in progress \$'000	Installation in progress \$'000	Total \$'000
12,330	2,244	106,450	11,979	3,543	8,945	1,277	300,768
21	-	841	348	120	-	-	5,829
1,099	415	1,975	1,174	264	9	185	9,115
(135)	(70)	(806)	(855)	-	-	-	(1,866)
192	-	958	-	-	(8,942)	(1,150)	-
(371)	-	(697)	(84)	-	-	(35)	(1,187)
-	-	(60)	-	-	-	-	(60)
23	38	422	80	75	(3)	-	1,521
13,159	2,627	109,083	12,642	4,002	9	277	314,120
13,159	2,627	109,083	12,642	4,002	9	277	314,120
840	493	1,781	1,454	368	226	8,174	13,671
(1)	(126)	(6,609)	(1,468)	(9)	-	-	(8,213)
136	-	6,938	194	-	-	(7,268)	-
-	-	-	-	-	-	-	(1,088)
(67)	(53)	(387)	(1)	(242)	-	-	(779)
(144)	-	(107)	-	-	-	-	(651)
(24)	29	(657)	16	53	4	5	(886)
13,899	2,970	110,042	12,837	4,172	239	1,188	316,174
6,965	1,397	68,612	7,713	2,449	-	-	137,417
1,050	192	7,047	1,203	482	-	-	16,744
(129)	(50)	(686)	(767)	-	-	-	(1,632)
(318)	-	(617)	(84)	-	-	-	(1,019)
-	-	(53)	-	-	-	-	(53)
18	26	187	52	55	-	-	593
7,586	1,565	74,490	8,117	2,986	-	-	152,050
7,586	1,565	74,490	8,117	2,986	-	-	152,050
1,118	219	6,794	1,221	468	-	-	16,918
(2)	(110)	(6,030)	(1,395)	(9)	-	-	(7,546)
(62)	(39)	(340)	(1)	(244)	-	-	(712)
(137)	-	(107)	-	-	-	-	(450)
(21)	19	(523)	(2)	44	-	-	(604)
8,482	1,654	74,284	7,940	3,245	-	-	159,656
5,365	847	37,838	4,266	1,094	8,945	1,277	163,351
5,573	1,062	34,593	4,525	1,016	9	277	162,070
5,417	1,316	35,758	4,897	927	239	1,188	156,518

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land and buildings \$'000	Leasehold improvements \$'000	Renovations \$'000	Furniture, fittings and office equipment \$'000
Cost				
Balance at 1 January 2024	50,088	5,949	5,161	1,828
Additions	–	–	14	89
Disposals	–	–	–	(2)
Write-offs	–	–	–	(11)
At 31 December 2024	50,088	5,949	5,175	1,904
At 1 January 2025	50,088	5,949	5,175	1,904
Additions	–	–	–	94
Disposals	–	–	–	–
Write-offs	–	–	–	(2)
Modification/Derecognition of right-of-use asset	–	–	–	(144)
At 31 December 2025	50,088	5,949	5,175	1,852
Accumulated depreciation				
At 1 January 2024	10,176	2,950	3,840	879
Depreciation charge for the year	1,631	147	151	152
Disposals	–	–	–	(1)
Write-offs	–	–	–	(11)
At 31 December 2024	11,807	3,097	3,991	1,019
At 1 January 2025	11,807	3,097	3,991	1,019
Depreciation charge for the year	1,631	147	144	159
Disposals	–	–	–	–
Write-offs	–	–	–	(2)
Derecognition of right-of-use asset	–	–	–	(137)
At 31 December 2025	13,438	3,244	4,135	1,039
Carrying amounts				
At 1 January 2024	39,912	2,999	1,321	949
At 31 December 2024	38,281	2,852	1,184	885
At 31 December 2025	36,650	2,705	1,040	813

Warehouse equipment \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
280	38	249	1,074	64,667
-	-	-	75	178
-	-	-	-	(2)
-	-	-	-	(11)
280	38	249	1,149	64,832
280	38	249	1,149	64,832
-	-	-	166	260
(33)	-	-	-	(33)
(4)	-	-	(107)	(113)
-	-	-	-	(144)
243	38	249	1,208	64,802
221	38	50	761	18,915
14	-	25	124	2,244
-	-	-	-	(1)
-	-	-	-	(11)
235	38	75	885	21,147
235	38	75	885	21,147
10	-	25	128	2,244
(33)	-	-	-	(33)
(4)	-	-	(107)	(113)
-	-	-	-	(137)
208	38	100	906	23,108
59	-	199	313	45,752
45	-	174	264	43,685
35	-	149	302	41,694

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$13,671,000 (2024: \$14,944,000) of which:

- \$481,000 (2024: \$1,797,000) was acquired under leases;
- \$1,754,000 (2024: \$431,000) was included in net change of amount payables for purchase of property, plant and equipment; and
- \$Nil (2024: \$5,829,000) acquired in the acquisition of subsidiaries.

Included in property, plant and equipment of the Group and Company are right-of-use assets with a total carrying amount of \$23,648,000 and \$11,463,000 (2024: \$25,822,000 and \$11,940,000), which are further disclosed under lease liabilities (Note 31).

The following property, plant and equipment are pledged as security for secured loans and borrowings (Note 18):

	Group	
	2025 \$'000	2024 \$'000
Carrying amounts		
Freehold land and building	–	5,142
Leasehold buildings	2,817	5,522
Motor vehicles, plant and machinery	138	745
	<u>2,955</u>	<u>11,409</u>

Impairment of property, plant and equipment

In 2025, the Group carried out a review of the recoverable amounts of cash generating units (“CGUs”) with impairment indicators. The review resulted in no impairment being recognised.

The recoverable amount of the CGUs that included these property, plant and equipment is determined based on the calculation of their value-in-use (“VIU”) derived from management’s cash flows projections for these CGUs.

Cash flow projections used in the VIU calculations were over a period of 5 years (2024: 5 years), based on the 2025 financial budget approved by Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment (Continued)

Value-in-use

Key assumptions used in the estimation of value-in-use were as follows:

	2025	2024
	%	%
<i>Revenue growth rate</i>		
Singapore	(4) – 2	(6) – 8
People's Republic of China	8 – 48	5 – 35
Malaysia	N/A	3 – 6
<i>Gross profit margin</i>		
Singapore	10	10 – 32
People's Republic of China	16 – 28	16 – 22
Malaysia	N/A	19
	2025	2024
	%	%
<i>Post-tax discount rate</i>		
Singapore	8	9
People's Republic of China	9	10
Malaysia	N/A	10

The forecasted revenue growth rate and gross profit margin are estimated based on past performance and the expectations of market developments. The discount rates are a post-tax measure estimated based on the weighted average cost of capital of comparable companies. The Group believes that any reasonably possible change in the above key assumptions is not likely to result in an additional impairment.

The pre-tax discount rates applied to the cash flow projections of CGUs in Singapore, People's Republic of China and Malaysia are 11% (2024: 11% to 14%), 11% to 12% (2024: 11% to 18%) and nil (2024: 13%) respectively.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

5. INTANGIBLE ASSETS

	Goodwill \$'000	Customer relationships \$'000	Total \$'000
Group			
Cost			
At 1 January 2024	3,063	532	3,595
Effect of movements in exchange rates	1	–	1
At 31 December 2024	3,064	532	3,596
Effect of movements in exchange rates	(14)	–	(14)
At 31 December 2025	3,050	532	3,582
Accumulated amortisation			
At 1 January 2024	–	266	266
Amortisation charge for the year	–	133	133
Impairment of goodwill	1,300	–	1,300
At 31 December 2024	1,300	399	1,699
Amortisation charge for the year	–	133	133
Impairment of goodwill	749	–	749
At 31 December 2025	2,049	532	2,581
Carrying amounts			
At 1 January 2024	3,063	266	3,329
At 31 December 2024	1,764	133	1,897
At 31 December 2025	1,001	–	1,001

Annual impairment tests for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's CGU identified as included in the following reportable segments:

	Group	
	2025 \$'000	2024 \$'000
Singapore		
C.K.H. Food Trading Pte. Ltd.	2,049	2,049
United Packaging Industries Pte. Ltd.	18	18
People's Republic of China		
Hefei Dansun Packaging Co., Ltd.	554	562
Nantong group of entities	429	435
	3,050	3,064

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

5. INTANGIBLE ASSETS (CONTINUED)

Annual impairment tests for cash generating units containing goodwill (Continued)

The recoverable amount of the CGUs is based on their value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of the CGUs. The calculation for VIU is based on cash flow projections derived from financial budgets approved by Board of Directors covering a period of 5 years (2024: 5 years).

The carrying amount of one of the CGUs, C.K.H. Food Trading Pte. Ltd. was determined to be higher than its recoverable amount of \$682,000 and an impairment loss of \$749,000 (2024: \$1,300,000) was recognised. The impairment loss was fully allocated to the goodwill and was recognised in 'other expenses'.

Key assumptions used in the estimation of value in use were as follows:

	2025 %	2024 %
<i>Revenue growth rate</i>		
Singapore	(4) – 9	(5) – 5
People's Republic of China	<u>(8) – 4</u>	<u>(14) – 5</u>
<i>Gross profit margin</i>		
Singapore	23 – 26	24 – 27
People's Republic of China	<u>11 – 25</u>	<u>10 – 26</u>
<i>Post-tax discount rate</i>		
Singapore	8	9
People's Republic of China	<u>9</u>	<u>10</u>

The forecasted revenue growth rate and gross profit margin are estimated based on past performance and the expectations of market developments. The discount rate was a post-tax measure estimated based on the weighted average cost of capital of comparable companies. The pre-tax discount rates applied to the cash flow projections of CGUs in Singapore and People's Republic of China are 10% to 11% (2024: 10% to 13%) and 10% to 12% (2024: 14% to 18%) respectively.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

6. INVESTMENT PROPERTIES

	Group	
	2025	2024
	\$'000	\$'000
Cost		
At 1 January	4,427	852
Acquisition through business combination	–	3,520
Disposal	(1,820)	–
Transfer from property, plant & equipment (Note 5)	1,088	–
Effect of movements in exchange rates	81	55
At 31 December	<u>3,776</u>	<u>4,427</u>
Accumulated depreciation		
At 1 January	380	288
Depreciation charge for the year	81	73
Disposal	(43)	–
Effect of movements in exchange rates	14	19
At 31 December	<u>432</u>	<u>380</u>
Carrying amounts		
At 1 January	<u>4,047</u>	564
At 31 December	<u>3,344</u>	<u>4,047</u>
Fair value		
At 31 December	<u>3,389</u>	<u>4,219</u>

The investment properties comprise a number of strata units in Singapore and resort apartments in Malaysia. As at 31 December 2025, investment properties of the Group with carrying amounts of \$1,625,000 (2024: \$3,465,000) are pledged as security to secure bank loans (Note 18).

Impairment of investment properties

In 2025, the Group carried out a review of the recoverable amounts of CGUs with impairment indicators. Where indicators of impairment were identified, the recoverable amounts were estimated based on external valuations undertaken. The review resulted in no impairment made.

The valuations as at 31 December 2025 and 31 December 2024 were performed by independent professional valuers and based on the comparison method (2024: comparison method). In relying on the valuation reports, the directors have exercised their judgement and are satisfied that the valuation methods and estimates used are reflective of the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

6. INVESTMENT PROPERTIES (CONTINUED)

Measurement of fair value

Fair value hierarchy

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair value measurement for investment properties has been categorised as a Level 3 fair value. The following table shows the key assumption/unobservable input used in the valuation of investment properties as at 31 December 2025:

<u>Valuation technique</u>	<u>Key assumption/ unobservable input</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Comparison Method of Valuation	Price per square foot: \$8.56 to \$110.98 (2024: \$91 to \$1,197)	Significant increases in price per square foot would result in a significantly higher fair value measurement.

7. SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Equity investments at cost	43,848	43,848
Impairment losses		
At 1 January	(3,300)	(2,000)
Impairment loss recognised	(749)	(1,300)
At 31 December	(4,049)	(3,300)
	<u>39,799</u>	<u>40,548</u>

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment, the review resulted in additional impairment loss of \$749,000 (2024: \$1,300,000) in C.K.H. Food Trading Pte. Ltd. during the year. The recoverable amounts of the Company's investments were estimated using the value-in-use approach and based on discounted cash flow method. For recoverable amounts estimated using value-in-use approach, the key assumptions are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

7. SUBSIDIARIES (CONTINUED)

	Company	
	2025	2024
	%	%
Revenue growth rate	3 – 9	4 – 5
Pre-tax discount rate	10	10

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest	
			2025	2024
			%	%
Held by the Company				
Topseller Pte Ltd ⁽ⁱ⁾	Marketing and sale of agency lines and proprietary brands	Singapore	100	100
Tipex Pte Ltd ⁽ⁱ⁾	Supply of provisions and household products	Singapore	100	100
Socma Trading (M) Sendirian Berhad ⁽ⁱ⁾	Marketing and sale of household and consumer products	Malaysia	100	100
Tat Seng Packaging Group Ltd ⁽ⁱ⁾	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	Singapore	64	64
Fortune Food Manufacturing Pte Ltd ⁽ⁱ⁾	Manufacture of soya bean products and noodles	Singapore	100	100
C.K.H. Food Trading Pte Ltd ⁽ⁱ⁾	Food trading and distribution	Singapore	80	80
PSC Group Treasury Pte Ltd ⁽ⁱ⁾	Investment holding	Singapore	100	100
Kim Guan Guan Coffee Trading Pte Ltd ⁽ⁱ⁾	General importers and distributors of coffee, tea and other related products	Singapore	51	51

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

7. SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest	
			2025 %	2024 %
Held by Fortune Food Manufacturing Pte Ltd:				
Fortune Food Manufacturing Sdn Bhd ⁽ⁱⁱ⁾	Manufacture of soya bean products and noodles	Malaysia	100	100
Held by Tipex Pte Ltd:				
Tips Industry (M) Sdn Bhd ⁽ⁱⁱ⁾	Packaging and sale of paper products	Malaysia	100	100
Held by Socma Trading (M) Sendirian Berhad:				
Fresh Fruit Juice Manufacturing (M) Sdn Bhd ⁽ⁱⁱ⁾	Manufacture of grass jelly products	Malaysia	100	100
Held by Kim Guan Guan Coffee Trading Pte Ltd:				
Kim Guan Guan Coffee Roaster Pte Ltd ⁽ⁱ⁾	Manufacturers and wholesale of coffee and tea	Singapore	100	100
Held by Tat Seng Packaging Group Ltd:				
United Packaging Industries Pte Ltd ⁽ⁱ⁾	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	Singapore	100	100
Tat Seng Packaging (Suzhou) Co., Ltd ^{(iii) (iv)}	Manufacture and sale of corrugated boards, corrugated cartons and other packaging products	People's Republic of China	100	100
Hefei Dansun Packaging Co., Ltd ^{(iii) (vi)}	Manufacture and sale of corrugated cartons and other packaging products	People's Republic of China	94.4	94.4
Tianjin Dansun Packaging Co., Ltd ^{(iii) (iv)}	Manufacture and sale of corrugated cartons and other packaging products	People's Republic of China	67	67

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

7. SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest	
			2025 %	2024 %
Held by Tat Seng Packaging (Suzhou) Co., Ltd:				
Nantong Hengcheng Paper Industry Co., Ltd ^{(iii) (iv)}	Manufacture and sale of corrugated boards	People's Republic of China	70	70
Held by Nantong Hengcheng Paper Industry Co., Ltd:				
Nantong Tat Seng Packaging Co., Ltd ^{(iii) (iv)}	Manufacture and sale of corrugated boards	People's Republic of China	100	100
Held by Hefei Dansun Packaging Co., Ltd:				
Guangzhou Dansun Packaging Co., Ltd ^(v)	Manufacture and sale of corrugated boards, paper mould and other packaging products	People's Republic of China	100	100

(i) Audited by KPMG LLP, Singapore

(ii) Audited by other member firms of KPMG International

(iii) Audited by other member firms of KPMG International for group consolidation purposes

(iv) Audited by 苏州东恒会计事务 (普通合伙) for local statutory reporting purposes

(v) Not required to be audited by law of country of incorporation

KPMG LLP is the auditor of all Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

8. ASSOCIATES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investment in associate	125	125	-	-
Impairment losses at 1 January and 31 December	(125)	(125)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of the Group's associate are as follows:

Name of associate	Principal activities	Country of incorporation	Effective equity held by			
			Group		Company	
			2025 %	2024 %	2025 %	2024 %
Held by the Company's subsidiaries						
Longkou Luzhibei Preserved Fruit Company Limited ^{&}	Manufacture and distribution of preserved fruits	People's Republic of China	40	40	-	-

[&] Not required to be audited by law of country of incorporation

The associates are not significant as defined under the Listing Rule 718 of Singapore Exchange Listing Manual. For this purpose, an associated company is considered significant if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

In prior years, the Group assessed the carrying amount of the interests in associate and recognised impairment losses to write down the investment costs to nil. Since the Group has no obligation in respect of the loss of the associate that exceed the Group's interests in the associate, the equity accounting for loss recognition had been suspended in prior years.

There is no significant change to the financial condition of the associate in 2025. As such, the Group's interests in associate remained fully impaired at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

9. OTHER FINANCIAL ASSETS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current investments				
Quoted equity investments – at FVOCI	118	106	118	106
Quoted equity investments – at FVTPL	14,518	9,665	–	–
Time deposits – at amortised cost	2,908	13,628	–	–
Structured Notes [#] , at FVTPL	17,482	15,641	–	–
Investment Fund, at FVTPL	8,823	3,856	–	–
Insurance assets – Keyman life insurance policies, at FVTPL	936	1,015	–	–
Derivative – put option at FVTPL (Note 30)	–	–	209	209
	44,785	43,911	327	315
Current investments				
Quoted equity investments – designated at FVTPL	155	470	155	470
Time deposits – at amortised cost	10,916	5,933	–	–
	11,071	6,403	155	470

Time deposits of the Group have stated fixed interest rates and maturities in 3 months to more than one year.

[#] Principal protected and interest-bearing

Equity investments designated as at FVOCI

The Group designated the investments shown below as equity investments as at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Fair value at 31 Dec 2025 \$'000	Dividend income recognised during 2025 \$'000	Fair value at 31 Dec 2024 \$'000	Dividend income recognised during 2024 \$'000
Investment in listed company in Singapore	118	6	106	5

No strategic investments were disposed of during 2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

10. DEFERRED TAX ASSETS AND LIABILITIES

Movements in temporary differences during the year are as follows:

	At 1 January 2024 \$'000	Recognised in profit or loss (Note 27) \$'000	Effect of movements in exchange rates \$'000	Acquired in business combination (Note 30) \$'000	At 31 December 2024 \$'000	Recognised in profit or loss (Note 27) \$'000	Effect of movements in exchange rates \$'000	At 31 December 2025 \$'000
Group								
Deferred tax assets								
Property, plant and equipment	(23)	(116)	–	–	(139)	140	–	1
Trade and other receivables	66	(105)	–	–	(39)	53	(1)	13
Tax value of loss carry forward	2,904	(183)	–	–	2,721	(559)	(20)	2,142
Trade and other payables	578	(152)	–	–	426	(164)	(6)	256
Right-of-use assets	(2,125)	95	–	–	(2,030)	2,030	–	–
Lease liabilities	3,457	(74)	–	–	3,383	(2,272)	(1)	1,110
Set off of tax	(1,677)	172	–	–	(1,505)	176	(20)	(1,349)
Total	3,180	(363)	–	–	2,817	(596)	(48)	2,173
Deferred tax liabilities								
Property, plant and equipment	(3,743)	49	(50)	(210)	(3,954)	(261)	(29)	(4,244)
Investment in subsidiaries	(2,887)	388	(65)	–	(2,564)	713	(13)	(1,864)
Intangible assets	(44)	–	–	–	(44)	–	–	(44)
Right-of-use assets	(1,664)	44	–	(355)	(1,975)	2,237	1	263
Lease liabilities	520	(8)	–	–	512	(1,935)	–	(1,423)
Investment properties	–	6	–	(324)	(318)	7	–	(311)
Other items	33	(30)	1	(13)	(9)	45	2	38
Set off of tax	1,677	(172)	–	–	1,505	(176)	20	1,349
Total	(6,108)	277	(114)	(902)	(6,847)	630	(19)	(6,236)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

10. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

	At 1 January 2024 \$'000	Recognised in profit or loss (Note 27) \$'000	At 31 December 2024 \$'000	Recognised in profit or loss (Note 27) \$'000	At 31 December 2025 \$'000
Company					
Deferred tax assets					
Property, plant and equipment	–	(141)	(141)	141	–
Right-of-use assets	(2,125)	95	(2,030)	2,030	–
Lease liabilities	2,302	(61)	2,241	(2,241)	–
Other items	–	(38)	(38)	38	–
Total	177	(145)	32	(32)	–
Deferred tax liabilities					
Property, plant and equipment	–	–	–	(444)	(444)
Right-of-use assets	–	–	–	2,192	2,192
Lease liabilities	–	–	–	(1,949)	(1,949)
Other items	–	–	–	(18)	(18)
Total	–	–	–	(219)	(219)

Unrecognised deferred tax assets

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

	Group	
	2025 \$'000	2024 \$'000
Tax losses	1,300	2,503
Others	200	963
	1,500	3,466

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

10. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets (Continued)

The unutilised tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries concerned can utilise the benefit. Tax losses of the subsidiaries concerned amounting to \$15,450 (2024: \$22,305) will expire between 2026 and 2030 (2024: 2025 and 2029). The decline of \$6,855 (2024: \$916,439) in unutilised tax losses represents the expiration of tax losses during the year.

11. INVENTORIES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Raw materials	24,397	21,805	-	-
Work-in-progress	671	497	-	-
Machinery parts	766	717	-	-
Finished goods	25,683	28,317	1	1
Goods-in-transit	6,089	2,109	-	-
Packing materials	1,335	1,221	-	-
	58,941	54,666	1	1

In 2025, inventories of the Group amounting to \$357,771,000 (2024: \$364,663,000) were recognised as an expense during the period and included in cost of sales.

Inventories have been decreased \$239,000 (2024: increased by \$73,000) as a result of write-down (2024: write-back) of net realisable value. The write-down and write-back are included in cost of sales.

12. BILLS RECEIVABLE

All bills receivable are denominated in Renminbi ("RMB"). As at 31 December 2025 and 2024, all bills receivables were guaranteed by established banks in the People's Republic of China ("PRC") and have maturities of less than one year from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade receivables		79,659	83,466	–	–
Impairment losses		(1,065)	(1,073)	–	–
Net trade receivables		78,594	82,393	–	–
Deposits		844	824	24	5
Other receivables		5,864	2,079	353	421
Amounts due from					
– Subsidiaries	14	–	–	76,078	37,796
– Related companies		459	346	–	–
Advance payments		2,225	1,861	–	–
Prepayments		1,686	756	279	54
VAT/GST receivables		566	31	34	18
		90,238	88,290	76,768	38,294
Non-current		278	304	–	–
Current		89,960	87,986	76,768	38,294
		90,238	88,290	76,768	38,294

14. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Amount due from subsidiaries	76,108	37,826
Impairment losses at 1 January and 31 December	(30)	(30)
	76,078	37,796

Amount due from subsidiaries are non-trade, unsecured, interest-free and repayable on demand.

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AS AT 31 DECEMBER 2025

15. CASH ON HAND AND IN BANKS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at bank and in hand	51,744	64,400	1,699	1,565
Short-term deposits	161,405	135,687	54,307	85,609
Cash on hand and in banks in the statement of financial position	213,149	200,087	56,006	87,174
Deposits pledged	(8,166)	(7,668)	-	-
Cash and cash equivalents in the statement of cash flows	204,983	192,419	56,006	87,174

Cash and bank balances totalling \$22,400,000 (2024: \$35,300,000) are held in a country which operates foreign exchange controls.

Bank deposits pledged represents amounts pledged as security by certain subsidiaries to obtain credit facilities (Note 18).

16. CAPITAL AND RESERVES

Share capital

	2025 <u>No. of shares</u>	2024 <u>No. of shares</u>
Group and Company		
In issue at 1 January and 31 December	570,996,746	570,996,746

At 31 December 2025, the Company held 25,699,800 (2024: 25,699,800) of its own uncanceled shares.

The total number of issued shares excluding treasury shares as at the end of the year ended 31 December 2025 was 545,296,946 (2024: 545,296,946).

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

All issued shares are fully paid, with no par value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

16. CAPITAL AND RESERVES (CONTINUED)

Reserves

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other reserves	1,377	1,377	–	–
Statutory reserves	12,746	12,727	–	–
Fair value reserve	97	85	97	85
Foreign currency translation reserve	(10,481)	(10,961)	–	–
Retained earnings	169,250	155,824	17,352	13,017
	172,989	159,052	17,449	13,102

Other reserves

Other reserves of the Group comprise mainly:

- (i) the reserve arising from bonus shares issued by a subsidiary; and
- (ii) the reserve arising from acquisition of non-controlling interests.

Statutory reserves

In accordance with the relevant PRC regulations, certain subsidiaries in the PRC are required to appropriate at least 10% of their profit after tax in their annual statutory financial statements, as determined in accordance with the PRC accounting standards and regulations applicable to the subsidiaries, to the statutory reserve until such reserve reaches 50% of the registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders.

Fair value reserve

The fair value reserve of the Group and the Company comprise the cumulative net change in the fair value of equity investments designated at FVOCI until the assets are derecognised or reclassified.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

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16. CAPITAL AND RESERVES (CONTINUED)

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group.

Paid by the Company to owners of the Company

	Group and Company	
	2025	2024
	\$'000	\$'000
Final tax-exempt dividend of \$0.013 (2024: \$0.010) per share in respect of previous financial year	7,089	5,453
Special tax-exempt dividend of \$Nil (2024: \$0.005) per share in respect of previous financial year	–	2,726
Interim tax-exempt dividend paid of \$0.002 (2024: \$0.005) per share in respect of current financial year	1,090	2,727
	8,179	10,906

Paid by subsidiaries to non-controlling interests

	Group	
	2025	2024
	\$'000	\$'000
Final tax-exempt dividend paid of \$0.030 (2024: \$0.020) per share in respect of previous financial year	1,700	1,133
Interim tax-exempt dividend paid of \$0.010 (2024: \$0.030) per share in respect of current financial year	567	1,701
Dividend in respect of the current financial year	953	1,527
	3,220	4,361

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been recognised as liabilities and there are no tax consequences.

	Group and Company	
	2025	2024
	\$'000	\$'000
Final tax-exempt dividend of \$0.018 (2024: \$0.013) per share in respect of financial year ended 31 December 2025 (2024: 31 December 2024)	9,815	7,089

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

17. NON-CONTROLLING INTERESTS

The following summarises the financial information of each of the Group's subsidiaries with material non-controlling interests ("NCI"), based on their respective (consolidated) financial statements prepared in accordance with SFRS(I).

	Tat Seng Packaging Group Ltd and its subsidiaries \$'000	C.K.H. Food Trading Pte. Ltd. \$'000	Kim Guan Guan Coffee Trading Pte Ltd & its subsidiary (Note 30) \$'000	Consolidation adjustments \$'000	Total \$'000
31 December 2025					
Revenue	231,406	12,952	11,763		
Profit	17,949	224	1,528		
OCI	(1,594)	-	-		
Total comprehensive income					
Attributable to NCI:					
- Profit	7,112	45	749	(454)	7,452
- OCI	(678)	-	-	-	(678)
- Total comprehensive income	6,434	45	749	(454)	6,774
Non-current assets	112,194	198	4,188		
Current assets	218,879	2,969	4,694		
Non-current liabilities	(13,024)	(7)	(1,665)		
Current liabilities	(95,461)	(1,548)	(3,386)		
Net assets	222,588	1,612	3,831		
Net assets attributable to NCI	87,294	322	1,877	1,838	91,331
Cash flows from operating activities	27,201	386	2,265		
Cash flows used in investing activities	(6,115)	(1)	1,110		
Cash flows used in financing activities (dividends to NCI: Note 16)	(8,593)	(8)	(2,852)		
Net increase in cash and cash equivalents	12,493	377	523		

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

17. NON-CONTROLLING INTERESTS (CONTINUED)

	Tat Seng Packaging Group Ltd and its subsidiaries \$'000	C.K.H. Food Trading Pte. Ltd. \$'000	Kim Guan Guan Coffee Trading Pte Ltd & its subsidiary (Note 30) \$'000	Consolidation adjustments \$'000	Total \$'000
31 December 2024					
Revenue	253,938	19,072	6,995		
Profit/(Loss)	19,944	40	(280)		
OCI	(6)	–	–		
Total comprehensive income					
Attributable to NCI:					
– Profit/(Loss)	7,866	8	(137)	(170)	7,567
– OCI	4	–	–	–	4
– Total comprehensive income	7,870	8	(137)	(170)	7,571
Non-current assets	117,936	297	6,318		
Current assets	210,560	3,471	4,118		
Non-current liabilities	(10,789)	(14)	(3,628)		
Current liabilities	(104,234)	(2,366)	(4,504)		
Net assets	213,473	1,388	2,304		
Net assets attributable to NCI	84,035	278	1,129	2,335	87,777
Cash flows from operating activities	29,694	1,032	10		
Cash flows used in investing activities	(17,212)	(68)	(34)		
Cash flows (used in)/ from financing activities (dividends to NCI: Note 16)	(17,261)	(553)	223		
Net (decrease)/increase in cash and cash equivalents	(4,779)	411	199		

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

18. LOANS AND BORROWINGS

The contractual terms of the Group's interest-bearing loans and borrowings are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current liabilities				
Secured bank loans	1,012	2,174	-	-
Unsecured bank loans	3,396	113	-	-
Lease liabilities	20,264	21,914	12,525	12,812
	24,672	24,201	12,525	12,812
Current liabilities				
Secured bank loans	554	11,748	-	-
Unsecured bank loans	26,362	21,213	-	-
Trust receipts	670	935	-	-
Bills payable	31,036	28,894	-	-
Lease liabilities	1,935	1,962	369	371
	60,557	64,752	369	371
Total loans and borrowings	85,229	88,953	12,894	13,183

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

18. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate	Year of maturity	2025		2024	
				Face value	Carrying amount	Face value	Carrying amount
	%			\$'000	\$'000	\$'000	\$'000
Group							
Bills payable (secured) ⁽ⁱ⁾	RMB	–	2026	31,036	31,036	–	–
Bills payable (secured) ⁽ⁱ⁾	RMB	–	2025	–	–	28,894	28,894
Trust receipts (secured) ^(iv)	SGD	4.2 – 4.4	2026	670	670	–	–
Trust receipts (secured) ^(iv)	SGD	2.7	2025	–	–	935	935
Loan (secured)	RMB	2.4 – 3.0	2025	–	–	11,150	11,150
Loan (unsecured)	RMB	2.4 – 3.1	2025	–	–	20,632	20,632
Loan (unsecured)	RMB	2.2 – 3.1	2026, 2030	29,645	29,645	–	–
Loan (secured) ⁽ⁱⁱ⁾	SGD	4.1 – 4.6	2028 – 2033	1,062	1,062	1,273	1,273
Loan (secured) ⁽ⁱⁱⁱ⁾	SGD	4.5 – 5.0	2025 – 2043	379	379	1,306	1,306
Loan (secured) ^(iv)	SGD	5.0	2027	125	125	193	193
Loan (unsecured) ^(v)	SGD	2.5 – 5.4	2025 – 2027	113	113	694	694
Lease liabilities	SGD	2.8 – 6.3	2026 – 2049	28,412	20,321	30,425	21,630
Lease liabilities	RMB	5.4	2026 – 2037	414	306	462	335
Lease liabilities	RM	4.3 – 5.9	2025 – 2029	1,729	1,572	2,161	1,911
				93,585	85,229	98,125	88,953
Company							
Lease liabilities	SGD	3.9 – 4.6	2026 – 2049	19,687	12,894	20,471	13,183

(i) The bills payable of the Group are secured by the cash and bank balance (2024: leasehold land, certain leasehold buildings, and cash and bank balances) of the Group, and are non-interest bearing and mature within 6 months from the financial year end.

(ii) Secured by personal guarantees from two shareholders of two subsidiaries and legal mortgage on their personal property. The two shareholders are also directors of the subsidiaries.

(iii) Secured by personal guarantees from two shareholders of a subsidiary and legal mortgages on the Group's investment properties with net book value of approximately \$1.6 million (2024: \$3.5 million).

(iv) Secured by personal guarantees from two shareholders of a subsidiary and legal mortgages on the Group's leasehold properties with net book value of approximately \$2.8 million (2024: \$2.9 million). In 2025, the Company has extended a corporate guarantee to secure the loans and borrowings.

(v) Secured by personal guarantees from two shareholders of subsidiaries. The two shareholders are also directors of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

18. LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Total \$'000
	Lease liabilities \$'000	Loans and borrowings \$'000	Interest payables (Note 21) \$'000	
Group				
Balance at 1 January 2024	22,595	68,889	33	91,517
Changes from financing cash flows				
Proceeds from loans and borrowings	–	99,951	–	99,951
Repayment of loans and borrowings	–	(108,958)	–	(108,958)
Payment of lease liabilities	(1,724)	–	–	(1,724)
Interest paid	–	–	(2,052)	(2,052)
Total changes from financing cash flows	(1,724)	(9,007)	(2,052)	(12,783)
The effect of changes in foreign exchange rates	140	44	–	184
Interest expense	–	–	2,049	2,049
New leases	1,797	–	–	1,797
Derecognition of lease liabilities	(7)	–	–	(7)
Acquisition through business combination	1,075	5,151	–	6,226
Balance at 31 December 2024	23,876	65,077	30	88,983
Balance at 1 January 2025	23,876	65,077	30	88,983
Changes from financing cash flows				
Proceeds from loans and borrowings	–	89,900	–	89,900
Repayment of loans and borrowings	–	(91,090)	–	(91,090)
Payment of lease liabilities	(2,020)	–	–	(2,020)
Interest paid	–	–	(1,854)	(1,854)
Total changes from financing cash flows	(2,020)	(1,190)	(1,854)	(5,064)
The effect of changes in foreign exchange rates	76	(857)	–	(781)
Interest expense	–	–	1,846	1,846
New leases	481	–	–	481
Derecognition of lease liabilities	(214)	–	–	(214)
Balance at 31 December 2025	22,199	63,030	22	85,251

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

18. LOANS AND BORROWINGS (CONTINUED)

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities amounting to \$5,850,000 (2024: \$3,112,000) granted to four of its subsidiaries. There are no expiry dates on the financial guarantees. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group guarantees.

At the reporting date, the Company's listed subsidiary provided corporate guarantees amounting to \$5,503,153 (2024: \$5,582,694) to banks for banking facilities of \$5,503,153 (2024: \$5,582,694) made available to the subsidiaries of the listed subsidiary, of which the subsidiaries has utilised \$2,266,453 (2024: Nil). The listed subsidiary does not consider it probable that a claim will be made against them under the guarantee.

19. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Risk management framework (Continued)

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. The Group has appointed a third-party internal auditor to carry out their Internal Audit function. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's maximum exposure to credit risk arises primarily from trade and other receivables.

The carrying amount of financial assets in the statement of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held.

At the reporting date, credit risk is concentrated mainly in cash and fixed deposits with banks and trade and bill receivables and other receivables. Cash and fixed deposits are placed with banks which are regulated.

Trade receivables

Risk management policy

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

The Group establishes an allowance for impairment that represents its expected losses in respect of trade receivables.

Credit risk relating to trade receivables are limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of activities, and sell in a variety of end markets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade receivables (Continued)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables at the reporting date (by type of customer) was as follows:

	Group			
	2025 Credit- impaired \$'000	2025 Not credit- impaired \$'000	2024 Credit- impaired \$'000	2024 Not credit- impaired \$'000
Consumer business	1,123	35,956	452	35,724
Packaging	64	42,516	13	47,277
Total gross carrying amount	1,187	78,472	465	83,001
Loss allowance	(943)	(122)	(447)	(626)
	<u>244</u>	<u>78,350</u>	<u>18</u>	<u>82,375</u>

There are no trade receivables and loss allowance at the Company level.

Impairment losses

The ageing of trade receivables at reporting date was as follows:

	Gross 2025 \$'000	Impairment 2025 \$'000	Gross 2024 \$'000	Impairment 2024 \$'000
	Group			
Not past due	64,476	–	66,176	–
Past due 0 – 90 days	13,906	(43)	16,025	(86)
Past due 91 – 180 days	201	(40)	411	(217)
Past due 181 – 365 days	332	(254)	389	(323)
More than one year	744	(728)	465	(447)
	<u>79,659</u>	<u>(1,065)</u>	<u>83,466</u>	<u>(1,073)</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Trade receivables (Continued)

Impairment losses (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 December 2025:

	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
Group				
2025				
Current (not past due)	0.00%	64,476	–	No
Past due 0 – 90 days	0.30%	13,906	(43)	No
Past due 91 – 180 days	19.90%	201	(40)	No
Past due 181 – 365 days	76.50%	332	(254)	No
More than one year	97.80%	744	(728)	Yes
		<u>79,659</u>	<u>(1,065)</u>	
2024				
Current (not past due)	0.00%	66,176	–	No
Past due 0 – 90 days	0.50%	16,025	(86)	No
Past due 91 – 180 days	52.80%	411	(217)	No
Past due 181 – 365 days	83.00%	389	(323)	No
More than one year	96.10%	465	(447)	Yes
		<u>83,466</u>	<u>(1,073)</u>	

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	
	2025 \$'000	2024 \$'000
At 1 January	1,073	980
Impairment loss recognised	410	829
Impairment loss reversed	(193)	(487)
Utilised	(226)	(256)
Effect of movements in exchange rates	1	7
At 31 December	<u>1,065</u>	<u>1,073</u>

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of amount owing is possible, at which point the amounts are considered irrecoverable and are written off against the trade receivables directly.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Other receivables, deposits and amount due from subsidiaries and associates

The Group held other receivables of \$5,864,000 (2024: \$2,079,000) and deposits of \$844,000 (2024: \$824,000).

The Company held other receivables of \$353,000 (2024: \$421,000), deposits of \$24,000 (2024: \$5,000) and amount due from its subsidiaries of \$76,078,000 (2024: \$37,796,000). The balances due from its subsidiaries are amounts lent to satisfy short and long-term funding requirements.

The Group and Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement).

The impairment in respect of other receivables (including non-trade amounts due from subsidiaries in the Company's statement of financial position) during the year was as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January and 31 December	-	-	30	30

Cash on hand and in banks

The Group and the Company held cash on hand and in banks of \$213,149,000 and \$56,006,000 respectively at 31 December 2025 (2024: \$200,087,000 and \$87,174,000 respectively). These figures represent their maximum credit exposures on these assets. The cash on hand and in banks are held with bank and financial institution counterparties which are rated Baa2 to Aa1, based on rating agency Moody's ratings.

Impairment on cash on hand and in banks has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash on hand and in banks have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash on hand and in banks is negligible.

Bills receivable and other financial assets

As at 31 December 2025, the Group held bills receivables of \$25,961,000 (2024: \$34,539,000) and other financial assets of \$41,065,000 (2024: \$40,073,000), comprising time deposits, structured notes and insurance assets placed with reputable financial institutions and insurance companies and are considered to have low credit risk based on external ratings of the counterparties. The amount of the allowance on bills receivable and other financial assets is negligible.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and readily realisable marketable securities and adequate lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and long term.

Exposure to liquidity risk

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Group					
31 December 2025					
Non-derivative financial liabilities					
Bank loans	31,324	(32,254)	(27,159)	(4,903)	(192)
Bills payable	31,036	(31,036)	(31,036)	-	-
Lease liabilities	22,199	(30,555)	(2,760)	(7,468)	(20,327)
Trust receipt	670	(670)	(670)	-	-
Trade and other payables*	57,751	(57,751)	(57,751)	-	-
	<u>142,980</u>	<u>(152,266)</u>	<u>(119,376)</u>	<u>(12,371)</u>	<u>(20,519)</u>
31 December 2024					
Non-derivative financial liabilities					
Bank loans	35,248	(37,426)	(34,852)	(1,754)	(820)
Bills payable	28,894	(28,894)	(28,894)	-	-
Lease liabilities	23,876	(33,048)	(2,832)	(9,130)	(21,086)
Trust receipt	935	(935)	(935)	-	-
Trade and other payables*	56,442	(56,442)	(56,442)	-	-
	<u>145,395</u>	<u>(156,745)</u>	<u>(123,955)</u>	<u>(10,884)</u>	<u>(21,906)</u>

* Exclude VAT/GST payables, provision and accrued staff remuneration.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Company					
31 December 2025					
Non-derivative financial liabilities					
Lease liabilities	12,894	(19,686)	(864)	(3,399)	(15,423)
Trade and other payables	4,760	(4,760)	(4,760)	–	–
Recognised financial liabilities	17,654	(24,446)	(5,624)	(3,399)	(15,423)
Intra-group financial guarantee	–	(5,850)	(5,850)	–	–
	<u>17,654</u>	<u>(30,296)</u>	<u>(11,474)</u>	<u>(3,399)</u>	<u>(15,423)</u>
31 December 2024					
Non-derivative financial liabilities					
Lease liabilities	13,183	(20,471)	(877)	(3,345)	(16,249)
Trade and other payables	4,305	(4,305)	(4,305)	–	–
Recognised financial liabilities	17,488	(24,776)	(5,182)	(3,345)	(16,249)
Intra-group financial guarantee	–	(3,112)	(3,112)	–	–
	<u>17,488</u>	<u>(27,888)</u>	<u>(8,294)</u>	<u>(3,345)</u>	<u>(16,249)</u>

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Risk management policy

The Group is exposed to currency risk on sales, purchases and investments, including inter-company sales and purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Hong Kong dollar and United States dollar. The Group does not have a policy to hedge its currency exposure but aims to minimise its exposure at any one time.

Exposure to currency risk

The Group's and Company's exposures to foreign currencies based on notional amounts are as follows:

	Group		Company	
	Hong Kong Dollar \$'000	US Dollar \$'000	Hong Kong Dollar \$'000	US Dollar \$'000
31 December 2025				
Other financial assets	155	936	155	–
Trade and other receivables	–	7,267	–	23
Cash on hand and in banks	–	5,462	–	87
Trade and other payables	–	(5,972)	–	–
Net statement of financial position exposure	<u>155</u>	<u>7,693</u>	<u>155</u>	<u>110</u>
31 December 2024				
Other financial assets	470	1,015	470	–
Trade and other receivables	–	5,166	–	–
Cash on hand and in banks	–	4,551	–	58
Trade and other payables	–	(3,554)	–	–
Net statement of financial position exposure	<u>470</u>	<u>7,178</u>	<u>470</u>	<u>58</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

A strengthening of 10% (2024: 10%) in the following major currencies against the functional currency of each of the Group entities at 31 December would have increased/(decreased) profit or loss (before any tax effects) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024, as indicated below.

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
2025				
Hong Kong Dollar	16	47	16	47
US Dollar	769	718	11	6

A 10% (2024: 10%) weakening of the above currencies against the functional currencies of the respective Group entities would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. The analysis is performed on the same basis for 2024.

Interest rate risk

Risk management policy

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises primarily from the loans and borrowings. The Group's policy is to maintain the bank borrowings to the minimum, and to obtain the most favourable interest rates available without increasing its foreign exchange exposure.

Surplus funds in the Group are placed in deposits with banks and are subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Interest rate risk (Continued)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	Nominal amount		Nominal amount	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	192,661	170,833	54,306	85,609
Financial liabilities*	(29,759)	(28,063)	–	–
	162,902	142,770	54,306	85,609
Variable rate instruments				
Financial assets	22,538	25,597	46,462	16,677
Financial liabilities*	(2,235)	(8,120)	–	–
	20,303	17,477	46,462	16,677

* excludes lease liabilities and bills payable

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, in respect of fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit or loss (before any tax effects) by the amounts shown below. There is no impact on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit or loss			
	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
100 bp increase	203	175	465	167
100 bp decrease	(203)	(175)	(465)	(167)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Other market price risk

Risk management policy

The Group has an investment policy which sets out the types of strategic investments and investments in financial assets that may be undertaken and relevant evaluation criteria. Excess funds generated from operations, diversification of investments, proceeds from private placement of shares or rights issue may be invested in financial assets pending identification and evaluation of long-term investments. Approvals are required from executive management or the Board of Directors depending on the size of each investment.

As described above, the Group may undertake investments in financial assets in accordance with its investment policy.

Sensitivity analysis – equity price risk

The equity investments designated at FVOCI and FVTPL of the Group and the Company relate to investments in quoted equity securities which are listed on the Singapore Stock Exchange and Hong Kong Stock Exchange respectively.

A 10% (2024: 10%) increase/(decrease) in the underlying equity prices at the reporting date would increase/(decrease) profit before tax and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

	Group		Company	
	10% increase \$'000	10% decrease \$'000	10% increase \$'000	10% decrease \$'000
2025				
Profit before tax	1,467	(1,467)	15	(15)
Equity	<u>12</u>	<u>(12)</u>	<u>12</u>	<u>(12)</u>
2024				
Profit before tax	1,014	(1,014)	47	(47)
Equity	<u>11</u>	<u>(11)</u>	<u>11</u>	<u>(11)</u>

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. Capital consists of total equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Capital management (Continued)

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

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

As disclosed in note 16, subsidiaries of the Group which operated in People's Republic of China ("PRC") are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2025 and 2024.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Total \$'000	Fair value			
	Amortised cost \$'000	FVOCI-debts instruments \$'000	FVOCI-equity instruments \$'000	Designated at FVTPL \$'000	Other financial liabilities \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group										
31 December 2025										
Financial assets measured at fair value										
Equity investments – at FVOCI	9	-	-	118	-	118	118	-	-	118
Equity investments – at FVTPL	9	-	-	14,673	-	14,673	14,673	-	-	14,673
Bills receivable	12	-	25,961	-	-	25,961	-	25,961	-	25,961
Structured notes	9	-	-	17,482	-	17,482	-	17,482	-	17,482
Investment fund	9	-	-	8,823	-	8,823	8,823	-	-	8,823
Insurance assets	9	-	-	936	-	936	-	-	936	936
		<u>-</u>	<u>25,961</u>	<u>118</u>	<u>41,914</u>	<u>-</u>				<u>67,993</u>
Financial assets not measured at fair value										
Cash on hand and in banks	15	213,149	-	-	-	213,149	-	-	-	213,149
Trade and other receivables [#]	13	85,761	-	-	-	85,761	-	-	-	85,761
Time deposits – at amortised cost	9	13,824	-	-	-	13,824	-	13,806	-	13,806
		<u>312,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,734</u>				
Financial liabilities not measured at fair value										
Secured bank loans	18	-	-	-	(1,566)	(1,566)	-	(1,566)	-	(1,566)
Unsecured bank loans	18	-	-	-	(29,758)	(29,758)	-	(29,758)	-	(29,758)
Bills payable	18	-	-	-	(31,036)	(31,036)	-	-	-	(31,036)
Trust receipts	18	-	-	-	(670)	(670)	-	-	-	(670)
Trade and other payables [*]	21	-	-	-	(57,751)	(57,751)	-	-	-	(57,751)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,781)</u>	<u>(120,781)</u>				

Exclude advances to suppliers, prepayment and VAT/GST receivables

* Exclude VAT/GST payables, provision and accrued staff remuneration

NOTES TO THE FINANCIAL STATEMENTS

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19. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

	Note	Carrying amount					Total \$'000	Fair value			
		Amortised cost \$'000	FVOCI-debts instruments \$'000	FVOCI-equity instruments \$'000	Designated at FVTPL \$'000	Other financial liabilities \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group											
31 December 2024											
Financial assets measured at fair value											
Equity investments – at FVOCI	9	-	-	106	-	-	106	106	-	-	106
Equity investments – at FVTPL	9	-	-	-	10,135	-	10,135	10,135	-	-	10,135
Bills receivable	12	-	34,539	-	-	-	34,539	-	34,539	-	34,539
Structured notes	9	-	-	-	15,641	-	15,641	-	15,641	-	15,641
Investment fund	9	-	-	-	3,856	-	3,856	3,856	-	-	3,856
Insurance assets	9	-	-	-	1,015	-	1,015	-	-	1,015	1,015
		-	34,539	106	30,647	-	65,292				
Financial assets not measured at fair value											
Cash on hand and in banks	15	200,087	-	-	-	-	200,087				
Trade and other receivables [#]	13	85,642	-	-	-	-	85,642				
Time deposits – at amortised cost	9	19,561	-	-	-	-	19,561	-	19,640	-	19,640
		305,290	-	-	-	-	305,290				
Financial liabilities not measured at fair value											
Secured bank loans	18	-	-	-	-	(13,922)	(13,922)	-	(14,139)	-	(14,139)
Unsecured bank loans	18	-	-	-	-	(21,326)	(21,326)	-	(22,877)	-	(22,877)
Bills payable	18	-	-	-	-	(28,894)	(28,894)				
Trust receipts	18	-	-	-	-	(935)	(935)				
Trade and other payables [*]	21	-	-	-	-	(56,442)	(56,442)				
		-	-	-	-	(121,519)	(121,519)				

Exclude advances to suppliers, prepayment and VAT/GST receivables

* Exclude VAT/GST payables and accrued staff remuneration

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19. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Note	Carrying amount				Total \$'000	Fair value				
	Amortised cost \$'000	FVOCI- equity instruments \$'000	Designated at FVTPL \$'000	Other financial liabilities \$'000		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
Company										
31 December 2025										
Financial assets measured at fair value										
Equity investments – at FVOCI	9	–	118	–	–	118	–	–	–	118
Equity investments – at FVTPL	9	–	–	155	–	155	–	–	–	155
		<u>–</u>	<u>118</u>	<u>155</u>	<u>–</u>	<u>273</u>				
Financial assets not measured at fair value										
Cash on hand and in banks	15	56,006	–	–	–	56,006				
Trade and other receivables#	13	76,455	–	–	–	76,455				
		<u>132,461</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>132,461</u>				
Financial liabilities not measured at fair value										
Trade and other payables*	21	–	–	–	(4,760)	(4,760)				
31 December 2024										
Financial assets measured at fair value										
Equity investments – at FVOCI	9	–	106	–	–	106	106	–	–	106
Equity investments – at FVTPL	9	–	–	470	–	470	470	–	–	470
		<u>–</u>	<u>106</u>	<u>470</u>	<u>–</u>	<u>576</u>				
Financial assets not measured at fair value										
Cash on hand and in banks	15	87,174	–	–	–	87,174				
Trade and other receivables#	13	38,222	–	–	–	38,222				
		<u>125,396</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>125,396</u>				
Financial liabilities not measured at fair value										
Trade and other payables*	21	–	–	–	(4,305)	(4,305)				

Exclude prepayments and VAT/GST receivables

- Exclude accrued staff remuneration

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

The following table gives information about how the fair values of these financial assets are determined, in particular, the valuation techniques used in measuring Level 2 and Level 3 fair values as well as the significant unobservable inputs used, where applicable.

<u>Type</u>	<u>Fair value hierarchy</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Structured notes	Level 2	<p><i>Market comparison technique/ Discounted cash flows:</i></p> <p>1) The fair values are based on the market prices of similar instruments, with adjustments made for differences in terms, credit risk, and other relevant characteristics of the instrument.</p> <p>2) Expected future payments are discounted using a risk-adjusted discounted rate, incorporating the probability of the 10Y swap rate remaining within the specified range.</p>	Not applicable	Not applicable
Bills receivable	Level 2	<p><i>Discounted cash flows:</i> The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.</p>	Not applicable	Not applicable
Insurance asset	Level 3	Cash surrender value	Value of the underlying participating fund	Significant increases in the value of the participating fund will result in a significantly higher fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

19. FINANCIAL INSTRUMENTS (CONTINUED)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	Insurance asset \$'000
Group	
At 1 January 2024	–
Acquisition through business combinations (Note 30)	952
Change in fair value recognised in profit or loss	63
At 31 December 2024	1,015
Change in fair value recognised in profit or loss	(79)
At 31 December 2025	936

Financial instruments not measured at fair value

<u>Type</u>	<u>Valuation technique</u>
Time deposits – at amortised cost	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.
Secured and unsecured bank loans	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment discounted using a risk-adjusted discounted rate.

During the financial years ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1, Level 2 and Level 3.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

20. DEFERRED INCOME

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Grants				
At 1 January	1,543	1,896	150	206
Amortisation charge for the year	(328)	(353)	(56)	(56)
Effect of movements in exchange rates	(16)	—*	—	—
At 31 December	1,199	1,543	94	150
Current	306	333	56	56
Non-current	893	1,210	38	94
	1,199	1,543	94	150

Included in deferred income are deferred grants relating to subsidies received from government for the acquisition of factory building and plant and machinery by its subsidiaries. There are no unfulfilled conditions or contingencies attached to this grant.

* Amount less than \$1,000.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	39,658	39,144	2	—
Amounts due to subsidiaries				
– Trade	—	—	3	5
– Non-trade	—	—	957	976
Other payables	12,051	8,998	2,948	2,918
Interest payables	22	30	—	—
Accruals	6,020	8,270	850	406
Accrued staff remuneration	11,137	10,899	1,160	1,502
VAT/GST payables	1,260	1,776	—	—
Provision	—	2,674	—	—
	70,148	71,791	5,920	5,807
Current	70,148	70,991	5,920	5,807
Non-current	—	800	—	—
	70,148	71,791	5,920	5,807

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

21. TRADE AND OTHER PAYABLES (CONTINUED)

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

Included in other payables is a vendor put option \$800,000 (2024: \$800,000) in connection with the Group's acquisition of the remaining 20% equity interest in C.K.H. Food Trading Pte. Ltd. ("CKH") from the non-controlling interests of CKH. The vendor put option shall be exercisable by the non-controlling interests of CKH upon determination of the consideration payable for the remaining 20% equity interest and will expire on 31 December 2026.

Provision

As at 31 December 2024, a provision of \$2.7 million was recognised for a subsidiary's obligations under its steam energy supply contracts with Hefei Thermoelectricity Group Co., Ltd. ("HFTG") arising from an investigation by the authorities. In 2025, the subsidiary settled its obligation with HFTG, and the provision amount of \$444,000 was reversed during the year.

22. REVENUE

	Group	
	2025	2024
	\$'000	\$'000
Sale of goods		
– Consumer business	245,835	234,830
– Packaging business	231,355	253,819
	477,190	488,649

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies:

Consumer Business

Nature of goods or services	Supply of provisions and household consumer products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer.
Significant payment terms	30 to 60 days from invoice date.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

22. REVENUE (CONTINUED)

Packaging Business

Nature of goods or services	Manufacturing and sales of corrugated paper products and other packaging products.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer.
Significant payment terms	Payment term granted to its customers is about 60 days.

23. OTHER INCOME

	Group	
	2025	2024
	\$'000	\$'000
Government grants	1,815	1,954
Amortisation of deferred income	328	353
Bad debts written off recovered	393	177
Foreign exchange gain	1,458	987
Gain on disposal of investment properties	147	–
Gain on disposal of property, plant and equipment	158	104
Bargain purchase arising on acquisition of subsidiaries	–	1,958
Others	1,305	549
	5,604	6,082

24. OTHER EXPENSES

		Group	
	Note	2025	2024
		\$'000	\$'000
Impairment of goodwill	5	749	1,300
Property, plant and equipment written off		67	168
Provision	21	–	2,674
Others		300	58
		1,116	4,200

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

25. PROFIT FOR THE YEAR

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

	Group	
	2025	2024
	\$'000	\$'000
Amortisation of deferred income	(328)	(353)
Amortisation of intangible assets	133	133
Audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	712	734
– other auditors	60	30
Non-audit fees paid to:		
– auditors of the Company and other firms affiliated with KPMG International Limited	171	106
– other auditors	62	110
Depreciation of investment properties	81	73
Depreciation of property, plant and equipment	16,918	16,744
Employee benefits expenses (see below)	67,343	67,678
Foreign exchange gain	(1,458)	(987)
Gain on disposal of investment properties	147	–
Gain on disposal of property, plant and equipment	(158)	(104)
Government grants	(1,815)	(1,954)
Impairment of goodwill	749	1,300
Inventories written down/(write back)	239	(73)
Operating expenses arising from investment properties	61	56
Operating lease expense – short term	368	619
Property, plant and equipment written off	67	168
Employee benefits expenses		
Salaries, bonuses and other costs	61,389	62,246
Contributions to defined contribution plans	5,954	5,432
	67,343	67,678

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

26. FINANCE INCOME AND FINANCE COSTS

	Group	
	2025	2024
	\$'000	\$'000
Recognised in profit or loss		
Interest income – fixed deposits	4,115	5,912
Interest income – other financial assets	685	1,071
Dividend income from equity investment – at FVOCI	1,276	367
Net increase in fair value of financial assets designated at FVTPL	682	–
Finance income	<u>6,758</u>	<u>7,350</u>
Interest expense:		
– bank borrowings	(968)	(1,119)
– lease liabilities	(846)	(884)
Transaction fee for financial assets	(32)	(46)
	<u>(1,846)</u>	<u>(2,049)</u>
Net decrease in fair value of financial assets designated at FVTPL	–	(459)
Finance costs	<u>(1,846)</u>	<u>(2,508)</u>
Net finance income recognised in profit or loss	<u>4,912</u>	<u>4,842</u>
The above finance expense included the following interest expense in respect of liabilities not at fair value through profit or loss and fair value through other comprehensive income:		
– Total interest expense on financial liabilities	<u>(1,846)</u>	<u>(2,049)</u>

27. TAX EXPENSE

		Group	
	Note	2025	2024
		\$'000	\$'000
Tax recognised in profit or loss			
Current tax expense			
Current year		5,317	6,643
Withholding tax		1,140	986
Adjustments for prior years		(4)	180
		<u>6,453</u>	<u>7,809</u>
Deferred tax expense			
Origination and reversal of temporary differences		(435)	166
Adjustments for prior years		401	(80)
	10	<u>(34)</u>	<u>86</u>
Total tax expense		<u>6,419</u>	<u>7,895</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

27. TAX EXPENSE (CONTINUED)

Reconciliation of effective tax rate

	Group	
	2025 \$'000	2024 \$'000
Profit for the year	29,076	30,320
Total tax expense	6,419	7,895
Profit excluding tax	<u>35,495</u>	<u>38,215</u>
Tax calculated using Singapore tax rate of 17% (2024: 17%)	6,034	6,497
Effects of tax rates in foreign jurisdiction	449	396
Income not subject to tax	(683)	(119)
Non-deductible expenses	600	854
Tax rebates and incentives	(399)	(454)
Deferred tax assets not recognised	(151)	31
Recognition of tax effect of previously unrecognised tax losses	(189)	(43)
Withholding tax	1,140	986
Effects of taxable distribution from subsidiaries	(713)	(339)
Adjustments for prior years, net	397	100
Others	(66)	(14)
	<u>6,419</u>	<u>7,895</u>

The subsidiaries of the Group were accredited as “High and New Technology Enterprise” and were entitled to preferential income tax rate of 15% for a period of three years as follows:

	Period
2025	
Tat Seng Packaging (Suzhou) Co., Ltd	<u>2023 – 2025</u>
Tianjin Dansun Packaging Co., Ltd	<u>2025 – 2027</u>
Hefei Dansun Packaging Co., Ltd	<u>2025 – 2027</u>
2024	
Tat Seng Packaging (Suzhou) Co., Ltd	2023 – 2025
Tianjin Dansun Packaging Co., Ltd	2022 – 2024
Hefei Dansun Packaging Co., Ltd	<u>2022 – 2024</u>

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28. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share was calculated using the following data:

	Group	
	2025	2024
	\$'000	\$'000
Profit attributable to ordinary shareholders	<u>21,624</u>	<u>22,753</u>
	2025	2024
	No. of	No. of
	shares	shares
Weighted average number of ordinary shares	<u>545,296,946</u>	<u>545,296,946</u>

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As there are no share options and warrants in issue as at the financial year end, the basic and fully diluted earnings per share are the same.

29. OPERATING SEGMENTS

The Group has 2 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Board of Directors review internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- I Consumer Essentials Consumer Business : Supply of provisions and household consumer products.
- II Strategic Investments Packaging : Manufacture and sale of corrugated paper products and other packaging products.

Other operations include investment holding, property investment, health solutions and property-related activities. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2025 and 2024.

Unallocated amounts comprise mainly corporate expenses (primarily the Company's headquarters).

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AS AT 31 DECEMBER 2025

29. OPERATING SEGMENTS (CONTINUED)

Information regarding the results of each reportable segment is included below. Performance is measured based on results from operating activities, as included in the internal management reports that are reviewed by the Board of Directors. Segment results from operating activities is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Consumer Essentials Consumer Business \$'000	Strategic Investments Packaging \$'000	Others \$'000	Total operations \$'000
Group				
31 December 2025				
Total segment revenue	245,835	231,406	–	477,241
Inter-segment revenue	–	(51)	–	(51)
External revenue	245,835	231,355	–	477,190
Results from operating activities	14,234	18,184	4	32,422
Finance income	3,105	3,651	2	6,758
Finance expense	(811)	(1,035)	–	(1,846)
Net finance costs	2,294	2,616	2	4,912
Unallocated amounts – Other corporate expenses, net of income				(1,839)
Profit before tax				35,495
Tax expense				(6,419)
Profit for the year				29,076
Other segment information				
Allowance/(reversal) for impairment of trade receivables	278	(61)	–	217
Inventories written down/(write-back)	280	(41)	–	239
Impairment of goodwill	749	–	–	749
Depreciation of:				
– property, plant and equipment	6,410	10,508	–	16,918
– investment properties	63	–	18	81
Property, plant and equipment written off	59	8	–	67
Additions to non-current assets:				
– property, plant and equipment	2,719	10,952	–	13,671
Segment assets	274,079	332,658	709	607,446
Segment liabilities	56,933	108,866	25	165,824

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AS AT 31 DECEMBER 2025

29. OPERATING SEGMENTS (CONTINUED)

	Consumer Essentials Consumer Business \$'000	Strategic Investments Packaging \$'000	Others \$'000	Total operations \$'000
Group				
31 December 2024				
Total segment revenue	234,830	253,938	–	488,768
Inter-segment revenue	–	(119)	–	(119)
External revenue	234,830	253,819	–	488,649
Results from operating activities	12,998	22,272	(1)	35,269
Finance income	4,085	3,263	2	7,350
Finance expense	(1,107)	(1,401)	–	(2,508)
Net finance costs	2,978	1,862	2	4,842
Unallocated amounts – Other corporate expenses, net of income				(1,896)
Profit before tax				38,215
Tax expense				(7,895)
Profit for the year				30,320
Other segment information				
Allowance/(reversal) for impairment of trade receivables	545	(203)	–	342
Bargain purchase arising from acquisition of subsidiaries	(1,958)	–	–	(1,958)
Inventories write-back	(21)	(52)	–	(73)
Impairment of goodwill	1,300	–	–	1,300
Depreciation of:				
– property, plant and equipment	6,146	10,598	–	16,744
– investment properties	56	–	17	73
Property, plant and equipment written off	18	150	–	168
Additions to non-current assets:				
– property, plant and equipment	4,103	5,012	–	9,115
Segment assets	268,002	330,240	694	598,936
Segment liabilities	59,330	115,449	26	174,805

Major Customer

Revenue from a customer of the Group's Strategic Investments Packaging segments represents approximately \$23,407,000 (2024: \$28,181,000) of the Group's total revenues.

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29. OPERATING SEGMENTS (CONTINUED)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers or investments, where appropriate. Segment non-current assets are based on geographical location of the assets.

	Revenue		Non-Current Assets	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore	178,693	181,741	125,109	122,232
Malaysia	108,168	97,798	14,916	14,862
China	188,945	207,998	68,074	77,952
Others	1,384	1,112	–	–
	477,190	488,649	208,099	215,046

30. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Acquisition of subsidiaries

In April 2024, the Group subscribed for 312,250 new shares issued by Kim Guan Guan Coffee Trading Pte. Ltd. ("KGGCT") for an aggregate consideration of \$1,570,000. KGGCT and its wholly owned subsidiary, Kim Guan Guan Coffee Roaster Pte. Ltd. ("KGGCR"), (collectively known as "KGG Group") are in the business of distributing, manufacturing and trading of coffee, tea and related products. In the Shareholders' Agreement, the Group also acquired a put option granted by the non-controlling interests of KGG Group. The put option required the non-controlling interests to purchase all the shares held by the Group in KGG Group in the event that the KGG Group is in a loss-making position for the financial period commencing from 1 May 2024 to 30 April 2026. Following the share subscription, KGGCT and KGGCR became 51% owned subsidiaries of the Group.

For the twelve months ended 31 December 2024, KGG Group contributed revenue of \$6,995,000 and loss after tax of \$143,000 to the Group's results.

The Group incurred acquisition-related costs of \$16,000 on legal fees which have been included in 'administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

30. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (Continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	\$'000
Property, plant and equipment	5,829
Investment properties	3,520
Other financial assets	952
Inventories	1,068
Trade and other receivables	1,128
Cash on hand and in banks	2,676
Trade and other payables	(1,511)
Current tax liabilities	(26)
Loans and borrowings	(6,226)
Deferred tax liabilities	(902)
Total identifiable net assets	<u>6,508</u>

Bargain purchase

	\$'000
Total consideration	1,570
Recognition of put option granted by non-controlling interest	(209)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	3,189
Fair value of identifiable net assets	<u>(6,508)</u>
Bargain purchase	<u>(1,958)</u>

Net cash outflow on acquisition

	\$'000
Consideration paid in cash	1,570
Less: Cash and cash equivalents acquired	<u>(2,676)</u>
	<u>(1,106)</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

30. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

Net cash outflow on acquisition (Continued)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Put option	<p>Binomial pricing model: The valuation model is a quantitative method in valuing options by modelling price movements of the underlying asset through discrete time intervals, where a binomial tree representing possible price paths is constructed, enabling calculation of option values based on risk-neutral probabilities and discounted expected payoffs.</p> <p>The valuation model considers several assumptions including the risk-free rate, expected volatility, discount rate, dividend yield and probability of put option exercise.</p>
Property, plant and equipment	<p>Market comparison and cost technique: The valuation model considers the market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement reflects adjustment for physical deterioration as well as functional and economic obsolescence.</p>
Investment properties	<p>Market comparison technique: The valuation model considers the market prices for similar properties when they are available.</p>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

31. LEASES

Leases as lessee (SFRS(I) 16)

The Group leases warehouse space with contract terms less than one year and these leases are considered short term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these short-term leases.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Land and buildings \$'000	Production equipment \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Group					
Balance at 1 January 2024	21,074	205	233	–	21,512
Assets acquired in business combination	3,827	–	–	174	4,001
Depreciation charge for the year	(1,815)	(131)	(72)	(114)	(2,132)
Additions to right-of-use assets	1,557	92	–	685	2,334
Effect of derecognition of right-of-use asset	–	(8)	–	–	(8)
Effect of movement in exchange rate	115	–	–	–	115
Balance at 31 December 2024	24,758	158	161	745	25,822
Depreciation charge for the year	(2,063)	(134)	(72)	(190)	(2,459)
Additions to right-of-use assets	219	125	88	–	432
Effect of derecognition of right-of-use asset	(195)	–	(7)	–	(202)
Effect of movement in exchange rate	55	–	–	–	55
Balance at 31 December 2025	22,774	149	170	555	23,648

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

31. LEASES (CONTINUED)

Right-of-use assets (Continued)

	2025 \$'000	2024 \$'000
Amounts recognised in profit or loss		
Interest on lease liabilities	846	884
Expenses relating to short-term leases	368	619
Amounts recognised in statement of cash flows		
Payment of lease liabilities	2,020	1,724
Interest on lease liabilities	846	884
Total cash outflow for leases	2,866	2,608

32. CAPITAL COMMITMENTS

At 31 December, the Group and the Company have the following capital commitments in respect of purchase of property, plant and equipment:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Contracted but not provided for	8,248	1,119	–	–

33. RELATED PARTIES

During the year, other than disclosed elsewhere in the financial statements, there were the following significant transactions with related parties:

	Group	
	2025 \$'000	2024 \$'000
Companies in which a director has substantial financial interests		
Sales of goods	(1,580)	(1,572)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

33. RELATED PARTIES (CONTINUED)

Key management personnel compensation

Compensation paid/payable to key management personnel comprise:

	Group	
	2025	2024
	\$'000	\$'000
Director fees	345	429
Short-term employee benefits	5,065	5,349
Post-employment benefits	92	117
	5,502	5,895

The key management personnel comprise the executive and non-executive directors and chief financial officer of the Company and the directors and vice presidents of certain major subsidiaries.

SUPPLEMENTARY INFORMATION

(SGX Listing Manual disclosure requirements)

Group properties

Description of properties held by the Group is as follows:

Location	Description	Tenure
348 Jalan Boon Lay, Singapore 619529	Single storey warehouse with mezzanine (Block B) with annexed office block used by the Group both for its operations and for rental income and Two-storey factory (Block C) used for its operations	60-year lease from 1 May 1967 and was renewed for 22 years, 3 months and 30 days
No. 28 Senoko Drive Singapore 758214	Factory premises, office building	20,070.9 sq m on 18 years lease expiring on 15 December 2039
H.S. (M) 4187, PTD 32624 Mukim Bukit Batu, Daerah Kulaijaya, Johor, Malaysia	Factory used for its operations	Freehold
H.S. (M) 4272, PTD 32702 Mukim Bukit Batu, Daerah Kulaijaya, Johor, Malaysia	Factory used for its operations	Freehold
Lot 168710, GM 1904 (formerly H.S. (M) 4188, PTD 193211) Mukim of Tebrau, District of Johor Bahru, Johor, Malaysia	Factory used for its operations	Freehold
Jiangsu Province, Suzhou City, Xiangcheng District, Wanting Town, Wendu Road, No. 88, The People's Republic of China	Factory premises, office building, dormitory	58,798.6 sq m on 50 years lease expiring on 4 September 2047

SUPPLEMENTARY INFORMATION

(SGX Listing Manual disclosure requirements)

Location	Description	Tenure
Anhui Province, HeFei Eco-Tech Development Zone, Zipeng Road, No. 105, The People's Republic of China	Factory premises, office building	35,800 sq m on 48 years lease expiring in August 2053 13,600 sq m on 49 years and 8 months lease expiring on 8 December 2056 7,647.6 sq m on 50 years lease expiring on 23 May 2055
Jiangsu Province, Nantong City, Tongzhou District, Xiting Town, Ting Nan Heng Road, The People's Republic of China	Factory premises, office building	26,586 sq m on 50 years lease expiring on 18 March 2060
Tianjin City, Airport Economic Zone, Dongle District, Jingyi Road, No 257, The People's Republic of China	Factory premises, office building	33,233.3 sq m on 50 years lease expiring on 3 April 2062
Jiangsu Province, Nantong City, Tongzhou District, Xiting Town The People's Republic of China	Factory premises, office building	74,115 sq m on 50 years lease expiring on 11 March 2068
Cinta Ayu Resort Apartments, all situated at 20 KM, Jalan Pontian Lama 81110 Pulai, Johor, Malaysia	Six units of apartments held for rental	Freehold
H.S. (M) 805, PTD 2048 Mukim of Sungai Pinggan, District of Pontian Johor, Malaysia	A piece of vacant land	Freehold

SUPPLEMENTARY INFORMATION

(SGX Listing Manual disclosure requirements)

Location	Description	Tenure
7 Kaki Bukit Road Eunos Technolink Singapore 415937	Two units in a six blocks of factory units with basement level for operation use	Two units of 346 sq m each on 60 years lease from 9 July 1996
8A Admiralty Street Food Xchange @ Admiralty Singapore 757437	One strata unit in a 7-storey ramp-up food production facility held for rental	264 sq m on 60 years lease from 9 October 2000

资产负债表

于2025年12月31日

	附注	集团		公司	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
资产					
产业及机器设备	4	156,518	162,070	41,694	43,685
无形资产	5	1,001	1,897	-	-
物业投资	6	3,344	4,047	-	-
子公司	7	-	-	39,799	40,548
联营公司	8	-	-	-	-
其他金融资产	9	44,785	43,911	327	315
递延税款资产	10	2,173	2,817	-	32
应收账款及其他应收款	13	278	304	-	-
非流动资产合计		208,099	215,046	81,820	84,580
其他金融资产	9	11,071	6,403	155	470
税款资产		265	209	-	-
存货	11	58,941	54,666	1	1
应收票据	12	25,961	34,539	-	-
应收账款及其他应收款	13	89,960	87,986	76,768	38,294
银行结存、存款及现金	15	213,149	200,087	56,006	87,174
流动资产合计		399,347	383,890	132,930	125,939
资产合计		607,446	598,936	214,750	210,519
股东权益					
股本	16	177,302	177,302	177,302	177,302
储备	16	172,989	159,052	17,449	13,102
归属于公司业主的股东权益		350,291	336,354	194,751	190,404
非控股权益	17	91,331	87,777	-	-
股东权益合计		441,622	424,131	194,751	190,404
负债					
贷款与借贷	18	24,672	24,201	12,525	12,812
应付账款及其他应付款	21	-	800	-	-
递延收益	20	893	1,210	38	94
递延应付税款	10	6,236	6,847	219	-
非流动负债合计		31,801	33,058	12,782	12,906
贷款与借贷	18	60,557	64,752	369	371
本期应付税款		3,012	5,671	872	975
应付账款及其他应付款	21	70,148	70,991	5,920	5,807
递延收益	20	306	333	56	56
流动负债合计		134,023	141,747	7,217	7,209
负债合计		165,824	174,805	19,999	20,115
负债及股东权益合计		607,446	598,936	214,750	210,519

综合损益表

截至2025年12月31日止年度

	附注	集团	
		2025 \$'000	2024 \$'000
收入	22	477,190	488,649
售出产品成本		(364,435)	(371,568)
毛利		112,755	117,081
其他收入	23	5,605	6,082
分销费用		(51,038)	(48,665)
行政费用		(35,405)	(36,583)
应收账款及其他应收款之减值损失		(217)	(342)
其他费用	24	(1,116)	(4,200)
营业活动之盈利		30,584	33,373
金融收入		6,758	7,350
金融费用		(1,846)	(2,508)
净金融收入/(费用)	26	4,912	4,842
税前盈利		35,496	38,215
税项	27	(6,419)	(7,895)
本期盈利	25	29,077	30,320
盈利归属于			
公司业主		21,624	22,753
非控股权益		7,453	7,567
本期盈利		29,077	30,320
每股盈利			
每股盈利基数(分)	28	3.97	4.17
每股盈利摊薄(分)	28	3.97	4.17

SHAREHOLDING STATISTICS

AS AT 18 MARCH 2026

Number of issued and fully paid shares (excluding treasury shares)	:	545,296,946
Number/percentage of treasury shares held	:	25,699,800 (4.71%)
Number of subsidiary holdings held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary shares. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Substantial Shareholder

Name	Direct		Deemed interest	
	Number of shares	%	Number of shares	%
Goi Seng Hui	455,212,880	83.48	–	–

Distribution of shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares	%
1 – 99	262	6.23	10,156	NM
100 – 1,000	1,477	35.12	758,303	0.14
1,001 – 10,000	1,606	38.18	7,455,287	1.37
10,001 – 1,000,000	851	20.23	48,203,962	8.84
1,000,001 and above	10	0.24	488,869,238	89.65
	<u>4,206</u>	<u>100.00</u>	<u>545,296,946</u>	<u>100.00</u>

NM – Not meaningful

SHAREHOLDING STATISTICS

AS AT 18 MARCH 2026

Public Float

Based on information available to the Company as at 18 March 2026, 16.25% of the issued ordinary shares (excluding treasury shares) of the Company is held by the public. Rule 723 of the SGX-ST Listing Manual is complied with.

Top 20 Shareholders

No.	Name	Number of shares held	%*
1	Goi Seng Hui	455,212,880	83.48
2	UOB Kay Hian Pte Ltd	10,093,144	1.85
3	DBS Nominees Pte Ltd	5,274,411	0.97
4	United Overseas Bank Nominees Pte Ltd	4,895,993	0.90
5	Representations International (HK) Ltd	4,100,000	0.75
6	OCBC Nominees Singapore Pte Ltd	3,291,939	0.60
7	Chew Ghim Bok	2,278,000	0.42
8	Estate of Sim Teng Yam, Deceased	1,447,000	0.27
9	HSBC (Singapore) Nominees Pte Ltd	1,257,471	0.23
10	Ang Jui Khoon	1,018,400	0.18
11	NUR Investment & Trading Pte Ltd	1,000,000	0.18
12	Anita Hatta	978,200	0.18
13	Phillip Securities Pte Ltd	905,873	0.17
14	Soh Guat Sian	900,000	0.17
15	Raffles Nominees (Pte) Limited	868,021	0.16
16	Citibank Nominees Singapore Pte Ltd	730,552	0.13
17	CGS International Securities Singapore Pte Ltd	702,720	0.13
18	Paul Khoo Ghee Leng	700,025	0.13
19	Hock Tong Bee Pte Ltd	630,000	0.11
20	iFAST Financial Pte Ltd	589,063	0.11
		<u>496,873,692</u>	<u>91.12</u>

* Percentage is based on 545,296,946 shares (excluding 25,699,800 treasury shares) as at 18 March 2026.



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