

PROPOSED ACQUISITION OF PROPERTY IN THE DISTRICT OF PONTIAN, STATE OF JOHOR, MALAYSIA

The Board of Directors of PSC Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned indirect subsidiary, Fortune Food Manufacturing Sdn. Bhd. (Company No. 201901021291 (1330620-P)) (“**FFMSB**”) had, on 14th November 2023, entered into a Sale and Purchase Agreement (the “**SPA**”) with Tan Meng Chai (the “**Vendor**”) to purchase of a piece of freehold vacant land held under Individual Title HS(M) 805, PTD 2048 in the Mukim of Sungai Pinggan, District of Pontian, State of Johor, Malaysia measuring approximately 1.2368 Hectare (133,128.044 square feet) in area (the “**Land**”), at the purchase price of RM3,328,200.00 (approximately S\$964,695.00 with RM25.00 per square feet) (the “**Purchase Price**”) (the “**Proposed Acquisition**”).

The Vendor has no direct and/or indirect interest in the Company and/or FFMSB and he is not related to the directors and controlling shareholders of the Company.

Further details on the Proposed Acquisition are set out below:

1. Description of the Land

A piece of freehold vacant land held under Individual Title HS(M) 805, PTD 2048 in the Mukim of Sungai Pinggan, District of Pontian, State of Johor, Malaysia measuring approximately 1.2368 Hectare (133,128.044 square feet) in area.

2. Rationale for the Proposed Acquisition

- 2.1 This Proposed Acquisition is desirable and necessary for the purpose of expanding the Group’s existing food processing business in Malaysia to support the continued growth of its existing business.
- 2.2 The Group operates a noodle production factory in Skudai, Johor Bahru and a grass jelly production factory in Benut, Pontian. The Group plans to merge these two production facilities into one factory to be built on the Land. This will facilitate the management of these two production lines.
- 2.3 With a bigger floor area, new tofu and dessert lines can also be added to support the existing tofu and dessert production in the Singapore factory and to supply to the Malaysia local market.

3. Purchase Price

- 3.1 The Purchase Price was arrived at on a willing-buyer willing-seller basis after taking into consideration, *inter alia*, prevailing market rates and land conditions in which FFMSB has made enquiries and references in relation to the current market prices of the adjacent lands of similar size. No formal valuation of the Land has been conducted.
- 3.2 The payment terms for the purchase of the Land are as follows:
 - (a) a deposit sum of RM332,820.00, representing 10% of the Purchase Price shall be payable by FFMSB upon the execution of the SPA; and
 - (b) The balance 90% of the Purchase Price which is equivalent to RM2,995,380.00 (the “**Balance Purchase Price**”) shall be payable within the Completion Period (as defined

below), failing which interest at the rate of eight per centum (8%) per annum calculated on a daily basis on the balance of the Purchase Price then outstanding will be charged by the Vendor from the commencement of the Extended Completion Period (i.e. one (1) month from the expiry of the Completion Period) until full payment.

4. Conditions Precedent and Completion of the SPA

4.1 The Proposed Acquisition is conditional upon the following:

- (i) FFMSB or its Solicitors shall within fourteen (14) days from the date of the SPA proceed to apply and shall obtain the written confirmation from the relevant authority regarding the suitability of the said Property to build and/or operate a food manufacturing factory on the said Property.
- (ii) FFMSB to obtain the foreigner consent's approval in respect of the Proposed Acquisition from relevant authority in Malaysia ("**Foreigner Consent's Approval**") within six (6) months from the date of the SPA (the "**Compliance Period**"). If FFMSB fails to obtain the foreigner consent's approval within the Compliance Date, the Vendor agrees to automatically grant to FFMSB another three (3) months from the expiry of the Compliance Period (the "**Extended Compliance Period**") to procure the Foreigner Consent's Approval provided that FFMSB shall be liable for the payment of RM10,000.00 per month for such extension of time (the "**Compensation Sum**") to enable FFMSB to procure the Foreigner Consent's Approval. In the event FFMSB is unable to obtain the Foreigner Consent's Approval within the Extended Compliance Period, the parties herein may mutually agree to any further extension of time after the expiry of the Extended Compliance Period.

4.2 The SPA shall become unconditional on the date on which the Conditions Precedent are fulfilled ("**Unconditional Date**"). Completion of the SPA shall take place within three (3) months from the Unconditional Date ("**Completion Period**"), failing which, the Vendor shall grant to FFMSB an extension of time for one (1) month from the expiry of the Completion Period subject to the condition that FFMSB shall pay to the Vendor agreed interest at the rate of eight per centum (8%) per annum to be calculated on a day to day basis on the Balance Purchase Price or the unpaid portion of the said Balance Purchase Price, as the case may be.

5. Source of Funds

The Proposed Acquisition will be entirely funded by internal resources.

6. Financial Effects

The Proposed Acquisition is not expected to have any material impact on the net earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2023.

7. Further Information

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Proposed Acquisition, save for their respective shareholdings in the Company.

8. Cautionary Statement

Shareholders and potential investors are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to the fulfilment of conditions precedent under the SPA. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements when

there are further developments. Shareholders and potential investors are advised to read this Announcement and any further announcements made by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
PSC CORPORATION LTD.**

Siau Kuei Lian
Company Secretary

14 November 2023