

GRC LIMITED
(Company Registration Number: 35479)
(Incorporated in Bermuda)

ENTRY INTO AGREEMENT FOR LEASE OF ONE (1) FLOOR OF A MULTI-STOREY RAMP-UP INTEGRATED CONSTRUCTION AND PREFABRICATION HUB

1. INTRODUCTION

The Board of Directors (the “**Board**”) of GRC Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, CES-Precast Pte. Ltd. (“**CESP**”), has on 23 July 2025 entered into an agreement (the “**Agreement**”) with Jurong Port Pte Ltd (“**JPPL**”) in relation to the proposed lease (the “**Proposed Lease**”) of one (1) floor in a multi-storey ramp-up integrated construction and prefabrication hub to be located at 30 Jalan Buroh Road, Singapore (the “**Premises**”).

Pursuant to the Agreement, CESP has submitted a binding offer to lease the Premises, which JPPL has accepted, subject to the satisfaction of certain conditions precedent, including the good faith negotiation and execution of a definitive lease agreement (the “**Lease Agreement**”) between the parties.

2. RATIONALE AND BENEFIT TO THE COMPANY

The Proposed Lease will enable the Group to expand its precast production capacity and enhance the construction productivity of its prefabrication technology business, in line with the Company’s strategic objectives.

3. INFORMATION ON THE AGREEMENT

Key terms of the Agreement are as follows (subject to the terms of the Lease Agreement):

- (a) **Lease Structure:** Lessee and lessor model.
- (b) **Lease Tenure:** From the handover date of the Premises until 31 December 2050, including a Minimum Occupation Period (“**MOP**”) of 12 years from commencement, during which CESP may not terminate, assign or novate the Lease Agreement.
- (c) **Premise Area:** One (1) floor, with an estimated area between 13,000 to 13,500 square metres (“m²”) (final area to be confirmed).
- (d) **Monthly Lease Rate:** \$19.00 per m² per month, inclusive of conservancy costs and exclusive of service fees. Estimated monthly lease payments range from \$247,000 to \$256,500 (final amount to be confirmed). CESP shall be given a 3-month rent-free period upon commencement of lease.

3. INFORMATION ON THE AGREEMENT (cont'd)

- (e) **Incremental Lease Rate:** An increase of \$1.50 per m² per month every five (5) years.
- (f) **Deposit:** A \$500,000 cheque payable by CESP to JPPL as a deposit (“**Deposit**”). This deposit is forfeitable if CESP revokes or amends its offer. If the Lease Agreement is executed, the deposit will be applied towards the lease deposit under the Lease Agreement.
- (g) **Lease Deposits** (payable no later than the date of signing of the Lease Agreement):
 - i. Security Deposit: \$1,600,000 (cash); and
 - ii. Upfront Deposit: \$1,000,000 (cash).

Both deposits are refundable, subject to fulfilment of the MOP and other conditions in the Lease Agreement.

- (h) **Conditions Precedent to Acceptance by JPPL:** The lease offer under the Agreement is subject to the following conditions precedent being satisfied within 12 months from the date of the Agreement:
 - i. Approval by the boards of JPPL and Jurong Town Corporation for the construction of the Premises;
 - ii. Allocation of a precast floor to CESP by JPPL;
 - iii. A satisfactory assessment by JPPL of CESP’s financial standing; and
 - iv. Review and acknowledgement of CESP’s business proposal by the relevant authorities.

In the event that CESP is allocated a precast floor by JPPL, CESP and JPPL shall proceed in good faith to negotiate and execute the Lease Agreement within 12 months from the date of the Agreement.

In the event that any or all of the above conditions are not met, or both parties mutually agree to terminate the Agreement, the Deposit shall be returned to CESP, and the Agreement shall be terminated without any further liability on either party.

- (i) **Estimated Handover for Fit-Out:** January 2027.
- (j) **Estimated Commencement of Operations:** February 2027.

4. FINANCIAL EFFECTS OF THE PROPOSED LEASE

The Proposed Lease is not expected to have any material impact on the net tangible assets and/or earnings per share of the Company for the current financial year ending 30 June 2026.

5. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and, to the best of the Directors' knowledge, none of the controlling and substantial shareholders of the Company has any direct or indirect interest in the Proposed Lease, other than through their respective shareholdings and/or directorships, as the case may be, in the Company.

6. FURTHER ANNOUNCEMENTS

The Company will provide further updates to shareholders and potential investors via SGXNet as and when there are material developments relating to the Proposed Lease or the execution of the Lease Agreement.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised that there is no certainty that a definitive lease agreement will be entered into following the Agreement. Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if in doubt.

BY ORDER OF THE BOARD

Kong Wei Fung
Company Secretary

23 July 2025