

POWERMATIC DATA SYSTEMS LIMITED
(Company Registration No.: 198900414E)
(Incorporated in Singapore)

COMPANY'S RESPONSE TO QUESTIONS RAISED BY SHAREHOLDERS IN RELATION TO THE CIRCULAR DATED 3 JANUARY 2024 IN RELATION TO THE PROPOSED RE-DEVELOPMENT OF EXISTING INVESTMENT PROPERTY WITH ESTIMATED CAPEX COSTS OF S\$28.0 MILLION

(All capitalised terms used in the response by the Company have the meanings given to them in the Company's circular dated 3 January 2024)

Questions:

1. The total land area of 7 & 9 Harrison Road (6 storeys each) is 29,490 sq ft. Total built-up area is 79,073 sq ft and lettable area 61,171 sq ft. The new building will have 8 storeys. What are the built-up area and lettable area? Should the lettable area be much more than 70,000 sq ft as disclosed on 20 July 2023?
2. Based on 2023 AGM Q&A, shareholders were made to understand that the plot ratio will not change for 7/9 Harrison Rd in the re-development. The useable (or rentable area) will be increased from 61k sq ft to ~70k sq ft. Do these still hold true? In addition, how many strata units are projected/estimated from the redevelopment?
3. 7/9 Harrison Rd is currently approved for B1 (light industrial). In the circular dated 3/1/2024, a mixture of B1 and B2 food production strata units were given as examples. There seems to be a big difference in price psf between B1 and B2 pure food production units.

Will the redevelopment be a B1 or B2 food production industrial building? There seems to be little value-add if the redevelopment is still a B1 (light industrial) approved usage.

Company's response:

For avoidance of doubts and completeness purposes, as mentioned in our circular dated 3 January 2024 paragraph 2.4 on page 13:

"As mentioned in section 2.2 above, the actual CAPEX Costs have not been finalised or fixed as at the Latest Practicable Date, inter alia, pending Shareholders' approval of the Proposed Redevelopment at the EGM, and the Company will update Shareholders by way of announcement(s) on the SGXNet and consider the appropriate course of action to be taken, including seeking fresh Shareholders' approval, if necessary or desirable, in the event of material cost overruns and/or if the finalised CAPEX Costs agreed to be borne by the Company were to be significantly higher than the Estimated CAPEX Costs of S\$28.0 million as currently envisaged."

We have yet to finalize the designs for the redeveloped property. Based on the preliminary designs, there are 43 strata units and the total strata area available for sale is estimated to be more than 70,000 sq ft.

The property, located at 7/9 Harrison Road, falls under the "B1 light industry" zoning with a plot ratio of 2.5. The Provisional Permission granted by the URA for the proposed redevelopment does not change the zoning status from B1 to B2. It allowed the new development to be used for food production.

The value-add, in our perspective, stems from the permission for food use rather than the specific B1 or B2 classification.

BY ORDER OF THE BOARD

Dr. Chen Mun
Chairman and Chief Executive Officer

18 January 2024