

PROPOSED ACQUISITION OF SHARES IN SPORT SOCIAL AFFAIRS CO., LTD
(“SSA”)

Introduction

The Board of Directors of PSC Corporation Ltd (the “Company”) is pleased to announce that its wholly owned subsidiary, PSC Investment Pte Ltd, has entered into a share sale and purchase agreement (the “Share Sale and Purchase Agreement”) with Lin Lun and Ly Hout (collectively the “Vendors”) on 12 January 2010 pursuant to which the Company has agreed to acquire from the Vendors an aggregate 250 shares in the capital of SSA (the “Sale Shares”), representing approximately 25% of the issued and paid up share capital of SSA, subject to the terms and conditions of the Sale and Purchase Agreement (the “Proposed Acquisition”). The registered and paid up capital in SSA is USD5,000,000. SSA has not commenced operations and the net tangible asset value of SSA is approximately USD5,000,000. Accordingly, the value of the Sale Shares based on the net tangible asset value of SSA is USD1,250,000.

Information on SSA

SSA was incorporated in the Kingdom of Cambodia on 28 January 2009. SSA has on 20 February 2009 entered into a 30-year exclusive agreement with the National Sport Foundation of the National Olympic Council of Cambodia as its exclusive official partner and investor in their development programs. SSA was subsequently issued with a licence by the Ministry of Finance of Cambodia to operate a sports lottery business in the Kingdom of Cambodia.

Aggregate Consideration

The aggregate consideration for the acquisition of the Sale Shares is USD4,500,000 (the “Consideration”) payable by cash by and upon completion. The Consideration was arrived at on a willing-buyer-willing-seller basis, taking into account, amongst others, the 30-year exclusive agreement, the licence, the tangible net asset value and the earning potential of SSA.

The Company intends to finance the Consideration through the net proceeds of the Rights Issue of 2007.

Condition Precedent

The Share Sale and Purchase Agreement is conditional upon the satisfaction of the following conditions:-

- (a) the warranties granted by the Vendors under the Sale and Purchase Agreement remaining true and not misleading in any material respect at completion; and
- (b) the Vendors having performed all the covenants and agreement required to be performed or caused to be performed by them under the Sale and Purchase Agreement.

Financial Effects of the Proposed Acquisition

There will be a positive contribution resulting from the Proposed Acquisition in the financial year 2010.

As the Proposed Acquisition will result in SSA becoming an associated company of the Company, this announcement is required to be made pursuant to Rule 704(15)(c) of the SGX-ST Listing Manual.

Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the PSC Group's pursuit and expansion of strategic investments portfolio.

Documents for inspection

A copy of the Share Sale and Purchase Agreement is available for inspection during normal business hours at the Company's registered office at 348 Jalan Boon Lay Singapore 619529 for a period of three months from the date hereof.

Interests of Directors and Substantial Shareholders

None of the Directors or controlling shareholders of the Company have an interest or are deemed to be interested in the Proposed Acquisition.

By Order of the Board

Chew Kok Liang
Annie Wong Sook Cheng
Joint Company Secretaries
12 January 2010