

PSC CORPORATION LTD
(Company Registration No. 197400888M)
Incorporated in the Republic of Singapore

**RESPONSE TO SGX'S QUERIES REGARDING THE ANNOUNCEMENT OF PROPOSED
SUBSCRIPTION OF HK\$80,000,000 CONVERTIBLE NOTE IN JOLLIFY LIMITED BY WHOLLY
OWNED SUBSIDIARY PSC INVESTMENT PTE LTD**

All capitalised terms used herein shall bear the same meanings as in the previous announcement dated 23 January 2009 and 3 February 2009, unless otherwise defined.

Further to the Company's announcement made on 23 January 2009 and 3 February 2009 in relation to the proposed subscription of HK\$80,000,000 Convertible Note in Jollify Limited ("JL") by wholly owned subsidiary PSC Investment Pte Ltd, in response to the email queries from the Singapore Exchange Securities Trading Limited (SGX) of 6 February 2009, the Board of Directors of the Company wishes to provide the information as set out below:

Query 1: Reply 1(b): The 30% equity stake in JL upon conversion was arrived at on a willing buyer and willing seller basis after extensive negotiations. Please state the factors taken into account by the Company's board in arriving at the 30% equity stake in JL for a HK\$80,000,000 principal amount of the Note to be subscribed (Query 1(b) is not addressed).

Reply 1: The factors taken into account included, *inter alia*, our contribution towards total project costs, the equity of JL after completion and sales of the Project Property and the relative contribution of the parties.

Query 2: Reply 3(a): Barring unforeseen circumstance, the anticipated return of the Project Property is in excess of 30%. Please state the basis for the anticipated return (e.g. project period, assumptions, etc)

Reply 2: The anticipated return was arrived at based on the selling price to China Property Holdings (HK) Limited and the anticipated total cost of development for the Project Property.

BY ORDER OF THE BOARD

Chew Kok Liang / Annie Wong Sook Cheng
Joint Company Secretaries
9 February 2009