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BHCC Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1552)

(1) DISCLOSEABLE TRANSACTION; AND (2) MAJOR TRANSACTIONS IN RELATION TO SUBSCRIPTIONS OF FUND

THE FIRST SUBSCRIPTION

On 25 September 2020, BHCC Construction, an indirect wholly-owned subsidiary of the Company, subscribed for 2,925,972.88 units of Class B SGD of the Fund offered by UOBAM at the consideration of S\$3 million (equivalent to approximately HK\$17.01 million).

THE SECOND SUBSCRIPTION

On 19 October 2020, BHCC Construction further subscribed for 6,826,604.25 units of Class B SGD of the Fund offered by UOBAM at the consideration of S\$7 million (equivalent to approximately HK\$39.69 million).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) for the First Subscription exceeds 5% but all the percentage ratios are less than 25%, the First Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) for the Second Subscription exceeds 25% but all the percentage ratios are less than 100%, the Second Subscription constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the First Subscription and the Second Subscription shall be aggregated as if they were one transaction. As one of the applicable percentage ratios (as defined under the Listing Rules) for the Subscriptions exceed 25% but all the percentage ratios are less than 100%, the Subscriptions constitute a major transaction and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Subscriptions and would be required to abstain from voting for the resolution to approve the Subscriptions, should the Subscriptions be put forward to the Shareholders to approve at a general meeting of the Company. Huada Developments Limited, the controlling shareholder of the Company, which is beneficially owned as to 80% by Mr. Yang, an executive Director, 20% by Ms. Chao Jie, the spouse of Mr. Yang, and is interested in 409,050,000 Shares, representing approximately 51.13125% of the issued share capital of the Company as at the date of this announcement, has approved, confirmed and ratified the Subscriptions by a written Shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Subscriptions and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Subscriptions pursuant to Rule 14.44 of the Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Subscriptions and other information as required by the Listing Rules will be despatched to the Shareholders as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules for information purpose only.

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Consideration

The aggregate consideration of the Subscriptions is S\$10 million (equivalent to approximately HK\$56.7 million), which was payable in cash on settlement and financed by the Group's internal resources. The consideration of the Subscriptions represented the market price of the Fund at the time of the Subscriptions.

Below are the terms of the Fund as extracted from its prospectus and/or as advised by UOBAM:

Name: United SGD Money Market Fund

Class: Class B SGD, which is only available for subscription by institutional clients and such other persons as UOBAM may from time to time determine in its own discretion

Manager:	UOBAM
Trustee:	State Street Trust (SG) Limited
Investment objective of the Fund:	The investment objective of the Fund is to provide a return which is comparable to that of Singapore dollar short-term deposits.
Investment policy of the Fund:	The Fund will invest primarily in SGD denominated and non-SGD denominated high quality debt securities and money market instruments, and deposits worldwide. These include government bonds, corporate bonds, deposits with financial institutions, bank certificates of deposit, commercial papers and treasury bills. UOBAM intends to fully hedge non-SGD denominated investments back to SGD.
Management fee:	Currently 0.15% p.a.; maximum 2% p.a.
Trustee fee:	Currently not more than 0.05% p.a.; maximum 0.25% p.a., subject to a minimum of S\$5,000 p.a.
Administration fee:	0.05% p.a.; maximum 0.50% p.a.
Registrar and transfer agency fees:	The higher of S\$15,000 p.a. or 0.125% p.a., subject to a maximum of S\$25,000 p.a.
Valuation and accounting fees:	Currently 0.03% p.a.; maximum 0.20% p.a.
Distribution:	There is currently no distribution policy for the Fund.
Term:	The Fund has indeterminate duration and the holder of the units may realise and/or switch the units for units in a different class or sub-fund (the “ new units ”), subject to the minimum realisation amount and/or the minimum holding as disclosed below
Realisation:	Subject to the minimum realisation amount of 100,000 units and the minimum holding of 1,000,000 units after realisation, holder of the units is allowed to realise part of the Fund it holds on any dealing day, which is generally every business day in Singapore
Realisation fee:	Currently none; maximum 2%
Switching:	Subject to the minimum holding of 1,000,000 units after switching, holder of the units may switch the units for new units on a common day dealing day which is a dealing day for both the existing units and the new units

Switching fee:

Currently none; maximum 2%

INFORMATION OF THE FUND, THE MANAGER AND THE TRUSTEE

The Fund is one of the sub-funds under the United Liquidity Solutions Portfolios, an umbrella unit trust scheme managed by UOBAM. The main objective of the Fund is to provide a return which is comparable to that of Singapore dollar short-term deposits. The Fund mainly invests in government bills and notes. Further, up to 100% of the Fund's assets will be invested in instruments with a minimum short-term rating of F2 by Fitch Ratings, P2 by Moody's Investors Service or A2 by Standard and Poor's Global Ratings, or where it only has a long-term rating, such a rating of A by Fitch Ratings, A by Moody's Investors Service or A by Standard and Poor's Global Ratings.

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited and has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Monetary Authority of Singapore. Through its network of offices in Malaysia, Thailand, Brunei, Indonesia, Taiwan and Japan, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts.

State Street Trust (SG) Limited is a wholly-owned subsidiary of State Street Corporation, the common stock of which is listed and traded on the New York Stock Exchange. It is a trust company approved by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) to act as a trustee for collective investment schemes. State Street Trust (SG) Limited is regulated in Singapore by the Monetary Authority of Singapore.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Fund, UOBAM, State Street Trust (SG) Limited, and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Group is principally engaged as a main contractor in the provision of building and construction works and properties investment including the leasing of industrial properties in Singapore. The Group is also specialised in reinforcement concrete works which it has undertaken on a selected basis in the subcontractor projects.

In order to enhance the capital efficiency as well as the return from working capital, the Group reasonably utilises the idle capital of the Company available for the purpose of cash management to subscribe for the Fund for investment purpose. Considering that (i) the Fund mainly invests in instruments issued by government with a relatively high credit rating; and (ii) the Group has the flexibility to realise and/or switch the units for new units on any dealing day, the Directors are of the view that the Subscriptions provide the Group an opportunity for potential capital appreciation with better return than deposits generally offered by commercial banks, with no impact to its operation, and at the same time, the Group would be able to recover its investments from the Subscription as and when it needs working capital for its operation.

The Subscriptions were funded by the surplus cash of the Company and are highly liquid, therefore they would not affect the working capital or the operation of the Company. The Fund

was accounted for as investment in the accounts of the Company. As such, the Directors consider the terms of the Subscriptions are on normal commercial terms which are fair and reasonable and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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As one of the applicable percentage ratios (as defined under the Listing Rules) for the Second Subscription exceeds 25% but all the percentage ratios are less than 100%, the Second Subscription constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the First Subscription and the Second Subscription shall be aggregated as if they were one transaction. As one of the applicable percentage ratios (as defined under the Listing Rules) for the Subscriptions exceed 25% but all the percentage ratios are less than 100%, the Subscriptions constitute a major transaction and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Subscriptions and would be required to abstain from voting for the resolution to approve the Subscriptions, should the Subscriptions be put forward to the Shareholders to approve at a general meeting of the Company. Huada Developments Limited, the controlling shareholder of the Company, which is beneficially owned as to 80% by Mr. Yang, an executive Director, 20% by Ms. Chao Jie, the spouse of Mr. Yang, and is interested in 409,050,000 Shares, representing approximately 51.13125% of the issued share capital of the Company as at the date of this announcement, has approved, confirmed and ratified the Subscriptions by a written Shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the approval of the Subscriptions and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Subscriptions pursuant to Rule 14.44 of the Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Subscriptions and other information as required by the Listing Rules is expected to be despatched to the Shareholders as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules for information purpose only.

REMEDIAL ACTIONS

The Company acknowledges that the notification and announcement and/or Shareholders' approval in respect of the Subscriptions as required under Chapter 14 of the Listing Rules had been delayed due to its inadvertent oversight. The failure to make timely disclosure was due to an unintentional mistake of the Company as it was of the impression that the Subscriptions of the Fund were similar in nature to fixed deposits and did not realise that they constitute "transactions" under Chapter 14 of the Listing Rules and hence failed to (i) disclose the information on the First Subscription in accordance with relevant requirements for discloseable transactions under Chapter 14 of the Listing Rules; and (ii) comply with the notification, announcement, circular and shareholder' approval requirements under the Listing Rules in respect of the Second Subscription.

To prevent similar non-compliance from occurring in the future, the Company has taken / will take the following measures and actions:

- (i) the relevant departments of the Company shall work closer to oversee and monitor the Company's on-going compliance with the Listing Rules;
- (ii) the Group has strengthened the awareness on the necessity to report the subscriptions, acquisitions or disposals of financial products to the management by conducting an internal training session on the notification procedures on notifiable transactions as to the requirements of the Listing Rules and to emphasise the importance of identifying such transactions prior to execution;
- (iii) the Company will enhance the understanding and awareness of Listing Rules of the Directors and senior management of the Group, including conducting frequent reviews of the Listing Rules and make timely clarifications with external professionals especially on the topic of notifiable transactions under Chapter 14 of the Listing Rules.
- (iv) the Company will enhance its treasury policy on financial investment to regulate the investment activities made by the Group; and
- (v) the Company will, as and when appropriate and necessary, seek its external legal or other professional advice as to any action required to be taken in relation to any proposed transactions or events in the future.

Going forward, the Company will make such disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“BHCC Construction”	BHCC Construction Pte. Ltd., a company incorporated in Singapore with limited liability, and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	BHCC Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Subscription”	the subscription of the Fund at the consideration of S\$3 million by BHCC Construction on 25 September 2020
“Fund”	United SGD Money Market Fund
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yang”	Mr. Yang Xinping, an executive Director and chairman of the Company
“Second Subscription”	the subscription of the Fund at the consideration of S\$7 million by BHCC Construction on 19 October 2020
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively, the First Subscription and the Second Subscription
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“p.a.”	per annum

“S\$” or “SGD” Singapore dollar(s), the lawful currency of the Republic of Singapore

“%” per cent.

Note: The figures in S\$ are converted into HK\$ at the rate of S\$1.00 : HK\$5.67 throughout this announcement for indicative purpose only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

By order of the Board
BHCC Holding Limited
Mr. Yang Xinping
Chairman and executive Director

Singapore, 29 July 2021

As at the date of this announcement, the Board comprises Mr. Yang Xinping and Ms. Han Yuying as executive Directors; and Ms. Chan Bee Leng, Mr. Kwong Choong Kuen (Huang Zhongquan) and Mr. Ooi Soo Liat as independent non-executive Directors.