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BHCC Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1552)

POSSIBLE MAJOR TRANSACTION IN RELATION TO THE DISPOSAL MANDATE

THE POSSIBLE DISPOSAL AND THE DISPOSAL MANDATE

The Company proposes to obtain the Disposal Mandate from the Shareholders authorising the Board for the possible Disposal(s) of the Approved Units during the Mandate Period.

LISTING RULES IMPLICATIONS

Assuming that all the Approved Units held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s) will exceed 25% but be less than 75%, and therefore the Disposal(s) will constitute major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be 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 Disposal Mandate and the Disposal(s). Should the Disposal Mandate and the Disposal(s) be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholders would be required to abstain from voting for the resolution to approve the Disposal Mandate and the Disposal(s). Huada Developments, the controlling shareholder of the Company, which holds 409,050,000 Shares, representing approximately 51.13125% of the entire issued share capital of the Company as at the date of this announcement, has approved the Disposal Mandate and the Disposal(s) 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 Disposal Mandate and the Disposal(s) and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Disposal Mandate and the Disposal(s) pursuant to Rule 14.44 of the Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Disposal Mandate and the Disposal(s) 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.

BACKGROUND

As disclosed in the announcement of the Company dated 29 July 2021, BHCC Construction, an indirect wholly-owned subsidiary of the Company, subscribed for an aggregate of 9,752,577.13 units of Class B SGD of the Fund offered by UOBAM at the aggregate consideration of S\$10 million (equivalent to approximately HK\$56.70 million) on 25 September 2020 and 19 October 2020 respectively.

THE POSSIBLE DISPOSAL AND THE DISPOSAL MANDATE

As at the date of this announcement, the Group beneficially owns 9,752,577.13 units of Class B SGD of the Fund, and no distribution in respect of the Fund has been received since the dates of the Subscriptions. Based on the information provided by the UOBAM, the latest available net market value of the units of the Fund held by BHCC Construction as at the Last Valuation Day was approximately S\$1.0272.

Given the low and non-guaranteed return from the Fund, the Company proposes to dispose of all its interest in the Fund. Assuming that all the Approved Units would have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s) will exceed 25% but be less than 75%, and the Disposal(s) will constitute major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval.

Details of the Disposal Mandate

The Disposal Mandate to be sought from the Shareholders will be on the following terms:

1. Mandate Period

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of the written approval having been obtained from Huada Developments.

2. Maximum number of units of the Fund to be disposed

The Disposal Mandate shall authorise and empower the Board to sell the Approved Units, i.e. up to 9,752,577.13 units of Class B SGD of the Fund held by the Group.

3. Scope of Authority

The relevant designated Directors shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposal(s), including but not limited to the number of batches of disposal, the number of units to be disposed of in each disposal, the timing of each disposal and the selling price (subject to the Minimum Selling Price).

4. Manner of Disposal(s)

The Company will closely monitor the net asset value per unit of the Fund which is available on each dealing day and effect the disposal of the Approved Units (in whole or in part) at the appropriate time(s) by delivering its request for realisation of the units of the Fund through its agent, at the designated websites or other channels made available by UOBAM, in order to maximise the returns to the Group. Units to be disposed of will be redeemed by the Fund, and therefore, the Approved Units will not be sold or transferred to other party(ies).

5. Minimum Selling Price

Pursuant to the prospectus of the Fund, holder of the units may realise its units in the Fund on any dealing day. The selling price per unit will be ascertained by the net asset value of the Fund as at the Valuation Point in relation to the dealing day on which UOBAM receives and accepts the disposal request.

The selling price of the Approved Units shall be at the then net asset value of the Fund at the relevant material time, provided that:

- (i) the Minimum Selling Price of the Disposal shall be no less than S\$1.0254 per unit; and
- (ii) the total aggregate gross selling proceeds for twelve-month period including each Disposal shall not be 75% or more of the market capitalisation of the Company, being the product of total number of Shares of the Company in issue and the average of the closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Disposal.

The Minimum Selling Price of S\$1.0254 per unit represents:

- (i) a discount of approximately 0.176% to the net asset value per unit of the Fund as at the Last Valuation Day; and
- (ii) the average subscription cost per unit of the Fund from the First Subscription and the Second Subscription.

The Minimum Selling Price was determined with reference to (i) the net asset value of the Fund; and (ii) the prevailing market conditions and the uncertainty of global economy in light of the COVID-19 pandemic. The Directors consider that the Minimum Selling Price will allow flexibility for the Company to accommodate fluctuation in the market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to the Company to dispose of the Fund, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

6. Compliance

The Disposal(s) shall comply with relevant applicable laws and regulations. The Group will also report on the progress of the Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules. The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Disposal(s) in the event that the Disposal(s) cannot be completed under the Disposal Mandate.

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.

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 dealing day which is a dealing day for both the existing units and the new units
Switching fee:	Currently none; maximum 2%

As at 31 July 2021, the fund size of the Fund amounted to approximately S\$417.90 million, and the Subscriptions by the Group represented approximately 2.39% of the total fund size of the Fund.

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 were Independent Third Parties.

FINANCIAL EFFECTS OF THE DISPOSAL(S)

Based on the net asset value per unit of the Fund of S\$1.0272 as at the Last Valuation Date, the value of the Approved Units was approximately S\$10,018,000.

For illustrating the effect of the Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all the Approved Units would have been disposed of at S\$1.0272, being the net asset value per unit of the Fund as at the Last Valuation Day the Group is expected to receive a total sum of S\$10,018,000, comprising of return of investment cost of S\$10,000,000 and a total gain of S\$18,000 to be recognized in other income and gains.

For illustrating the effect of the Disposal(s) on the earnings, assets and liabilities of the Company, on the assumption that all the Approved Units would have been disposed of at the Minimum Selling Price, the Group is expected to receive a total sum of approximately S\$10,000,292, comprising of return of investment cost of S\$10,000,000 and a total gain of approximately S\$292 to be recognized in other income and gains.

There is no financial effect of the Disposal(s) on the liabilities of the Group.

For the avoidance of doubt, the actual gain or loss as a result of the Disposal(s) to be recorded by the Group will be subject to the actual selling price(s) of the Fund and will be subject to final audit to be performed by the Company's auditors. Upon the disposal of all the Approved Units, the Group will cease to hold any units of the Fund.

REASONS FOR AND BENEFITS OF THE DISPOSAL(S) AND USE OF PROCEEDS FROM THE DISPOSAL(S)

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.

As part of its treasury management, the Group has been closely monitoring the performance of the Fund and its cash flow position. Since the dates of the Subscriptions, the appreciation in the net asset value of the Fund was similar to interest rate of short term bank deposits, which is lower than expected. Given the low and non-guaranteed return from the Fund, and that no distribution has been received by the Group, the Board considers that it is appropriate for the Group to dispose of the Fund and to reallocate its resources for other appropriate investment opportunities or future development. The Directors consider that the Disposal(s) and the terms thereof have been made on normal commercial terms and are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

Looking forward, the Board intends to apply the net proceeds from the Disposal(s) for other appropriate investment opportunities. The Company is considering to expand the business horizon of the Group. The Group intends to explore and identify the potential investment opportunity and would like to use the net proceeds for the said investment project. As at the date of this announcement, no such investment project has been identified. Should the Group be able to locate any suitable business opportunity, the Board will apply the net proceeds from the Disposal(s) to the same.

LISTING RULES IMPLICATIONS

Assuming that all the Approved Units held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s) will exceed 25% but be less than 75%, and therefore the Disposal(s) will constitute major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be 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 Disposal Mandate and the Disposal(s). Should the Disposal Mandate and the Disposal(s) be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholders would be required to abstain from voting for the resolution to approve the Disposal Mandate and the Disposal(s). Huada Developments, the controlling shareholder of the Company, which holds 409,050,000 Shares, representing approximately 51.13125% of the entire issued share capital of the Company as at the date of this announcement, has approved the Disposal Mandate and the Disposal(s) 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 Disposal Mandate and the Disposal(s) and no extraordinary general meeting will be convened for the purpose of considering, ratifying and approving the Disposal Mandate and the Disposal(s) pursuant to Rule 14.44 of the Listing Rules.

DESPATCH OF CIRCULAR

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There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.

DEFINITIONS

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

“Approved Units”	up to 9,752,577.13 units of Class B SGD of the Fund, the disposal of which will not make any applicable percentage ratio equals or exceeds 75%
“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
“Disposal(s)”	the proposed disposal(s) of the Approved Units by the Group pursuant to the Disposal Mandate
“Disposal Mandate”	the general and conditional mandate granted by the Shareholders to the Company for the Disposal(s) during the Mandate Period
“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
“Huada Developments”	Huada Developments Limited, a company incorporated in the British Virgin Islands with limited liability, and beneficially owned as to 80% by Mr. Yang, an executive Director, and 20% by Ms. Chao Jie, the spouse of Mr. Yang. Huada Developments is the controlling shareholder of the Company which holds 409,050,000 Shares, representing approximately 51.13125% of the entire issued share capital of the Company as at the date of this announcement
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Last Valuation Day”	8 September 2021, being the latest date on which the net asset value per unit of the Fund is available prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate Period”	the period of 12 months from the date of the written approval given by Huada Developments
“Minimum Selling Price”	S\$1.0254 per unit of the Fund
“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
“Valuation Point”	the close of business of the last relevant market on the business day preceding the relevant dealing day on which the net asset value of the Fund is to be determined or such other time on the relevant dealing day or such other day as the managers of the Fund may determine
“UOBAM”	UOB Asset Management Ltd, a company incorporated in Singapore and the asset manager of the Fund
“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, 9 September 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.