THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in BHCC Holding Limited (the "**Company**"), you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

BHCC Holding Limited

(*incorporated in the Cayman with limited liability*)

(Stock code: 1552**)**

VERY SUBSTANTIAL ACQUISITION – ACQUISITION OF 45% OF THE EQUITY INTEREST IN AND CAPITAL COMMITMENT TO EVERMEGA INVESTMENT HOLDINGS PTE. LTD. AND NOTICE OF EGM

A Letter from the Board is set out on pages 5 to 18 of this circular.

A notice convening the extraordinary general meeting (the "**EGM**") of the Company to be held at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499 on Monday, 18 March 2024 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed with this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (i.e. Saturday, 16 March 2024 at 10:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude youfrom attending and voting in person at the EGM or any adjournment thereof if they so wish.

28 February 2024

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"6M2023"	the six months ended 30 June 2023
"Acceptance Letter"	the letter of acceptance dated 22 November 2023 issued to the Target Company confirming the acceptance of the Tender submitted by the Target Company
"Acquisition"	the acquisition of the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Sale and Purchase Agreement
"Apex Asia"	Apex Asia Playfair Pte. Ltd., a company incorporated in Singapore, holder of 10% of the issued share capital of the Target Company and an Independent Third Party
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or a gazetted public holiday of Singapore)
"Capital Commitment"	the capital contribution in the aggregate amount of up to S$17,010,000 to be provided by the Purchaser to the Target Company by way of subscription of further share capital and/or provision of shareholder's loan(s) pursuant to the terms and conditions of the Sale and Purchase Agreement
"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 (stock code: 1552)
"Completion"	the completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
"connected persons"	has the meaning ascribed to it in the Listing Rules and "connected" shall be construed accordingly
"Consideration"	the sum of the Sale Shares Consideration and the Sale Loan of S$5,490,619.20, being the consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499 on Monday, 18 March 2024 at 10:00 a.m. for the Shareholders to consider and, if thought fit, to approve the Sale and

	Purchase Agreement and the transactions contemplated thereunder
"Enlarged Group"	the Group upon Completion as enlarged by the Acquisition to include the Target Company
"Evermega"	Evermega Pte. Ltd., a company incorporated in Singapore, holder of 35% of the issued share capital of the Target Company and an Independent Third Party
"FY2020"	the financial year ended 31 December 2020
"FY2021"	the financial year ended 31 December 2021
"FY2022"	the financial year ended 31 December 2022
"Group"	the Company and its subsidiaries
"Happy Twl"	Happy Twl Pte. Ltd., a company incorporated in Singapore, holder of 10% of the issued share capital of the Target Company and an Independent Third Party
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and connected person(s) of the Company
"Latest Practicable Date"	26 February 2024, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 March 2024, or such other date as the parties to the Sale and Purchase Agreement may agree
"Other Target Company Shareholders"	collectively, Evermega, Apex Asia and Happy Twl
"Property"	all the strata lots and common property comprised in Strata Title Plan No. 1203 in the development at 50 Playfair Road, Singapore comprised in land lot 6130T of Mukim 24
"Purchaser"	BHCC Development Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company

"S$" or "SGD"	Singapore dollar, the lawful currency of Singapore
"Sale and Purchase Agreement"	the sale and purchase agreement dated 4 January 2024 and entered into between the Purchaser and the Vendor in relation to the Transactions
"Sale Loan"	the outstanding loans and other debts owed to the Vendor by the Target Company in the amount of S$5,490,169.20 and to be assigned to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"Sale Shares"	450 ordinary shares in, representing 45% of the total issued share capital of, the Target Company
"Sale Shares Consideration"	S$450, being the consideration payable by the Purchaser to the Vendor for the Sale Shares
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shareholders' Agreement"	the shareholders' agreement to be entered into among the Purchaser, the Other Target Company Shareholders and the Target Company
"Shareholders' Capital Contribution"	a sum up to S$50,000,000 to be contributed by all shareholders of the Target Company in the form of equity or shareholders' loan
"Singapore"	The Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Evermega Investment Holdings Pte. Ltd., a company incorporated in Singapore
"Tender"	the sale of the Property by the collective sale committee of the Property by way of public tender
"Tender Acceptance Price"	the sum of S$81,180,000, being the bidding price submitted by the Target Company under the Tender for the acquisition of the Property
"Transactions"	collectively, the Acquisition and the Capital Commitment
"Valuation Report"	the valuation report on the Property prepared by Roma Appraisals

	Limited
"Vendor"	Mr. Teo Wai Leong, an Independent Third Party
"%"	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of S$1.00 = HK$5.82 has been adopted, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

BHCC Holding Limited

(*incorporated in the Cayman Islands with limited liability*)
(**Stock code: 1552**)

Executive Directors:
Mr. Yang Xinping
Ms. Han Yuying

Independent non-executive Directors:
Ms. Chan Bee Leng
Mr. Ooi Soo Liat
Mr. Kwong Choong Kuen (Huang Zhongquan)

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Gran Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business:
No. 1 Tampines North Drive 3
#08-01
BHCC SPACE
Singapore 528499

Principal place of business in Hong Kong:
Unit 1205, 12th Floor
Far East Consortium Building
121 Des Voeux Road Central
Central, Hong Kong

28 February 2024

To the Shareholders

Dear Sir or Madam

**VERY SUBSTANTIAL ACQUISITION –
ACQUISITION OF 45% OF THE EQUITY INTEREST IN
AND CAPITAL COMMITMENT TO
EVERMEGA INVESTMENT HOLDINGS PTE. LTD.
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 4 January 2024 in relation to the entering into of the Sale and Purchase Agreement and the Transactions.

On 4 January 2024 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement in relation to the Transactions.

The purpose of this circular is to provide you with, among other things, (i) further details of the

Sale and Purchase Agreement and the Transactions; (ii) financial information of the Group; (iii) accountants report on the Target Company; (iv) unaudited financial information of the Enlarged Group; (v) Valuation Report; (vi) other information as required under the Listing Rules; and (vii) a notice of the EGM.

THE ACQUISITION AND CAPITAL COMMITMENT

The Company is pleased to announce that on 4 January 2024 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement in relation to the Transactions.

Set out below are the principal terms of the Sale and Purchase Agreement:

Date 4 January 2024

Parties (i) the Purchaser; and

(ii) the Vendor.

Subject matter

(i) the Sale Shares, being 45% of the entire issued share capital of the Target Company; and

(ii) the Sale Loan, being the outstanding loans and other debts owed to the Vendor by the Target Company in the amount of S$5,490,169.20.

Conditions Precedent

Completion shall be conditional upon:-

(i) the Purchaser having conducted due diligence review into the financials (including but not limited to the Property, assets and/or liabilities of the Target Company), operations and affairs of the Target Company and being fully or substantially satisfied with the results of the due diligence review;

(ii) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not being revoked or vitiated;

(iii) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not being revoked or vitiated;

(iv) the passing of the ordinary resolution by the Shareholders at the EGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder and such approval not having been revoked or vitiated;

(v) the warranties of the Vendor as set out in the Sale and Purchase Agreement remaining true, accurate and complete in all respects;

(vi) the despatch of the circular by the Company as required under the Listing Rules;

(vii) the obtaining of the Valuation Report (in the form and substance satisfactory to the Purchaser) with the valuation of the Property of not less than S$81,180,000; and

(viii) the Purchaser being satisfied that there has not been any material adverse change in respect of the Company since the date of the Sale and Purchase Agreement.

Conditions (iv), (vi) and (vii) are incapable of being waived. The Purchaser may at its sole discretion and at any time by notice in writing to the Vendor waive conditions (i), (ii), (v) and (viii) above. The Vendor may at its sole discretion and at any time by notice in writing to the Purchaser waive condition (iii) above.

If the conditions are not fulfilled (or as the case may be, waived) by the Long Stop Date, the Vendor shall refund the Deposit to the Purchaser and the Sale and Purchase Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

As at the Latest Practicable Date, no condition has been fulfilled, and conditions (vi) and (vii) will be fulfilled on 28 February 2024.

Consideration

The Consideration, being an aggregate amount of S$5,490,619.20 shall be satisfied by the Purchaser in the following manners:

(i) as to S$4,000,000 of the Consideration, is payable by the Purchaser upon execution of the Sale and Purchase Agreement, being the refundable deposit (the "**Deposit**") and part payment towards the Consideration upon Completion. The Deposit has been paid by the Purchaser to the Vendor upon execution of the Sale and Purchase Agreement;

(ii) the remaining balance of S$1,490,619.20 of the Consideration shall be paid by the Purchaser to the Vendor on Completion.

In the event that Completion does not take place in accordance with the terms and conditions of the Sale and Purchase Agreement and/or the conditions are not fulfilled (or as the case may be, waived) on or before the Long Stop Date, the Vendor shall within five (5) Business Days upon notice in writing by the Purchaser fully refund the Deposit to the Purchaser.

The Consideration will be funded by the internal resources of the Group.

Capital Commitment

Based on the preliminary redevelopment plan of the Property and taking in to account, among other factors, (i) the land acquisition cost under the Tender; (ii) the scope and complexity of the redevelopment plan; and (iii) the costs estimated to be incurred with reference to the prevailing market prices (including but not limited to material, labour, construction and sales and marketing costs), the Target Company estimates that the total capital of S$140,000,000, being the amount of costs estimated to be incurred for the redevelopment of the Property and comprising Shareholders' Capital Contribution and other bank facilities will be utilised as to (i) approximately 63.5% for the land acquisition cost; (ii) approximately 3.5% for other land related costs, such as payment of property tax and stamp duty, (iii) approximately 26% for the construction fees; and (iv) approximately 7% for other financial costs, administrative costs and sales and marketing costs in relation to the redevelopment of the Property. For details of the preliminary redevelopment plan, please refer to the paragraph headed "*Reasons for and benefits of the Transactions*" below.

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to provide the Capital Commitment to the Target Company from time to time upon Completion by way of subscription of further share capital and/or provision of shareholder's loan(s) in the aggregate amount of up to approximately S$17,010,000.

The Target Company estimates that the total capital requirement for the development of the Property is up to approximately S$140,000,000, comprising of (i) bank facilities of up to approximately S$90,000,000 to be obtained by the Target Company; and (ii) up to a maximum of S$50,000,000 contributed by the Purchaser and the Other Target Company Shareholders, made up of (a) the existing paid-up issued share capital of S$1,000; and (b) further share capital to be subscribed by the shareholders and/or shareholders' loan(s) of up to S$49,999,000, in proportion to their respective shareholdings in the Target Company upon Completion. Given that upon Completion, the Purchaser will hold 45% of the equity interest in the Target Company, the Purchaser committed to share 45% of the Shareholders' Capital Contribution of up to S$22,500,000 (comprising the paid-up issued share capital of the Sale Shares of S$450, existing Vendor's shareholder's loan of S$5,490,169.20 to be acquired by the Purchaser as the Sale Loan and the Purchaser's commitment to inject the remainder of the Purchaser's capital contribution by subscription of further share capital and/or provision of shareholder's loan(s) in the amount of up to approximately S$17,010,000 after Completion (i.e. the Capital Commitment)).

The form of Capital Commitment, whether in the form of subscription of further share capital and/or provision of shareholder's loan(s), will not be mandated by the Shareholders' Agreement and the Company has no discretion to determine the form of the Capital Commitment. The form of Capital Commitment will subject to the financing bank's requirement on the Target Company's minimum paid-up share capital as a condition of providing the bank facilities to the Target Company, in the event the issued and paid-up share capital falls short of the financing bank's requirement, the Shareholders' Capital Contribution will be provided by way of subscription of further share capital up to the minimum paid-up capital requirement, and thereafter if there remains outstanding Shareholders' Capital Contribution, such outstanding amount will be provided by way of shareholders' loan(s).

The full amount of the Shareholders' Capital Contribution in the total sum of S$50,000,000 is estimated to be provided to the Target Company in four year times, of which S$31,000,000 will be injected to the Target Company by end of 2024. The Shareholders are expected to further contribute S$6,000,000, $8,000,000 and $5,000,000 to the Target Company in each of 2025, 2026 and 2027 respectively.

The Capital Commitment will be funded by the internal resources of the Group and bank borrowings.

Basis for determination of the Consideration and Capital Commitment

The Consideration was arrived after arm's length negotiation between the Purchaser and the Vendor with reference to, among other things, the Vendor's investment in the Target Company, particularly the initial paid-up capital of the Sale Shares of S$450 and shareholder's loan(s) provided by the Vendor to the Target Company for the Tender fee, first and second instalments of the Tender Acceptance Price, stamp duty and statutory sale order application fee.

The amount of the Capital Commitment was determined with reference to (i) the land acquisition costs; (ii) the land related costs; (iii) the redevelopment costs of the Property; (iv) the potential bank borrowing to be obtained by the Target Company; and (v) the working capital needs of the Target Company. For details of the total estimated costs for redevelopment of the Property and the estimated utilization of the total capital of the Target Company, please refer to the paragraphs headed "*The Acquisition and Capital Commitment – Capital Commitment*" above.

Completion

Completion shall take place within five Business Days after the fulfilment (or waiver) of the conditions precedent or such other date which the parties to the Sale and Purchase Agreement may agree in writing. Upon Completion, the Company will indirectly hold 45% equity interest in the Target Company.

Pursuant to the Shareholders' Agreement, the board of the Target Company shall consist of four directors, two of which shall be nominated and appointed by the Purchaser, and the chairman of the board shall be nominated from the two directors appointed by the Purchaser. All decisions made by the board of directors of the Target Company shall be by simple majority, in the event of an equality of votes, the chairman of the board shall have the casting vote. Hence, the Purchaser will retain control of the board of directors of the Target Company and subject to the confirmation of the auditors, the Target Company will become a subsidiary of the Company and the financial statements of the Target Company will be consolidated into the consolidated financial statements of the Company. For details of the Shareholders' Agreement, please refer to the paragraph headed "*Shareholders' Agreement*" below.

Financial Effects of the Acquisition

Effect on earnings

The Acquisition has no immediate effect on the turnover of the Enlarged Group. As shown in the unaudited pro forma financial information of the Enlarged Group contained in Appendix III to this circular, there would be a loss of approximately S$161,000 arising from the Acquisition of the Target Company as if the Acquisition was completed on 1 January 2022. Based on the redevelopment plan of the Target Company, the Acquisition is expected to enhance the earnings potential of the Enlarged Group in the future.

Effect on assets and liabilities

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular (assuming that the Acquisition had been completed on 30 June 2023), the Acquisition has no immediate material effect on the assets and liabilities of the Group. The unaudited pro forma consolidated net assets of the Enlarged Group as at 30 June 2023 would be approximately S$41,140,000, as compared to the unaudited consolidated net assets of approximately S$41,301,000 as reported in the unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2023, such decrease in the consolidated net assets of the Enlarged Group is mainly attributable to the transaction cost incurred arising from the Acquisition. The unaudited pro forma consolidated total liabilities of the Enlarged Group as at 30 June 2023 would be approximately S$82,785,000, which has remained unchanged as compared to the unaudited consolidated total liabilities of the Group as reported in the unaudited condensed consolidated financial statements of the Group for 6M2023.

Please refer to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular for more details on the financial effect of the Acquisition.

Shareholders' Agreement

Upon Completion, the Purchaser will enter into the Shareholders' Agreement with the Other Target Company Shareholders and the Target Company. Set out below are the principal terms of the Shareholders' Agreement:

Parties:

(i) the Purchaser;

(ii) Evermega;

(iii) Apex Asia;

(iv) Happy Twl; and

(v) the Target Company.

Board composition:

The number of directors of the Target Company shall be four (4). The Purchaser shall have the right to appoint two (2) directors and each of Evermega and Apex Asia shall have the right to appoint one (1) director. The nominating shareholder shall have the right to remove the respective directors appointed by it. The chairman of the board shall be nominated by the Purchaser from the two directors appointed by it.

All decisions made by the board of directors shall be by simple majority, in the event of an equality of votes, the chairman of the board shall have the casting vote.

Capital contribution:

The shareholders of the Target Company shall provide to the Target Company the Shareholders' Capital Contribution as funding for the development of the Property of up to S$50,000,000 in the following manners and order of preference:

(i) firstly, from the issued and paid-up capital of the Target Company from time to time; and

(ii) thereafter, by shareholders' loan(s) on such terms and conditions as the board of the Target Company may determine, and the respective shareholders' loan(s) amount contributed by each shareholder of the Target Company shall be in proportion to their respective shareholdings in the Target Company.

For further details of the Shareholders' Capital Contribution and

	the Capital Commitment, please refer to the paragraph headed "*Capital Commitment*" above.
Right of first refusal:	Where a shareholder of the Target Company (the "**Transferring Shareholder**") wishes to sell, dispose or transfer the whole or any part of its shares in, and/or any or part of its shareholder loan(s) to, the Target Company, the other shareholders shall have the right of first refusal to acquire the said shares and/or shareholder loan(s) at the lower of: (i) the purchase price offered by the purchasing party; or (ii) the original cost of the subject shares and/or shareholder loan(s). Where there is more than one shareholder (other than the Transferring Shareholder) (the "**Acquiring Shareholders**") exercising its right of first refusal, the Acquiring Shareholders shall acquire such amount of the subject shares and/or shareholder loan(s) in proportion to their respective shareholding in the Target Company.
Role and obligations of the shareholders of the Target Company:	**Project management** Apex Asia shall be responsible, or shall procure its associated company(ies) to be responsible, for the project management of the development of the Property in such scope as set out in the Shareholders' Agreement, including but not limited to the management of consultants and contractors engaged for the development and liaising and dealing with the local authorities. The engagement of Apex Asia or its associated company(ies) shall be on such terms and conditions as the board of directors of the Target Company may determine.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Singapore with limited liability in August 2023.As at the Latest Practicable Date, the Target Company was owned as to 45% by the Vendor and 35%, 10% and 10% by Evermega, Apex Asia and Happy TWL respectively. The Target Company is the owner of the Property and is principally engaged in property development.

Financial information of the Target Company

Set out below are the summary of the financial information in the unaudited management accounts of the Target Company for period commencing from the date of its incorporation (i.e., 28 August 2023) and ended 31 December 2023:

	For the period commencing from the date of its incorporation and ended 31 December 2023
	S$
	Approximate
	(unaudited)
Revenue	0
(Loss) before taxation	(1,626)
(Loss) after taxation	(1,626)

The unaudited net liabilities value of the Target Company as at 31 December 2023 was approximately S$626.

Information of the Acceptance Letter and The Property

In November 2023, the Target Company submitted a tender to bid for the Property. On 22 November 2023, the Target Company received the Acceptance Letter, confirming that its award of the Tender for the Property at the Tender Acceptance Price of S$81,180,000. As at the Latest Practicable Date, subject to the full payment of the Tender Acceptance Price and the relevant stamp duty, the Target Company will be the sole owner of the Property. Set out below are the summary of the information of the Acceptance Letter and the Property:

Tenderer: The Target Company.

Tender acceptance date: 22 November 2023.

Tender Acceptance Price: S$81,180,000, and shall be satisfied by the Target Company in the following manners:

(i) as to S$500,000 of the Tender Acceptance Price, being the tender fee was due and settled on 22 November 2023;

(ii) as to S$3,559,000 of the Tender Acceptance Price, being the first instalment less the tender fee was due and settled on 29 November 2023;

(iii) as to S$4,059,000 of the Tender Acceptance Price, being the second instalment, must be paid not later than five (5) Business Days after the vendor of the Property have served written notice on the Target Company and was due and settled on 9 January 2024; and

(iv) as to S$73,062,000 of the Tender Acceptance Price, being the completion payment of the remaining balance is due on 2 April 2024.

Subject matter:	The Property.
Address of the Property:	50 Playfair Road, Singapore
Property land area:	Approximately 2,489.0 square metres.
Maximum gross floor area:	Approximately 93,770 square feet.
Zoning and permitted uses:	Business 1 (B1) – White: (i) industrial uses; or (ii) industrial and commercial mixed uses, subject to a minimum plot ratio for industrial uses before commercial uses can be allowed.
Intended use:	Industrial use – development of a modern food processing facility for strata sale in the market.
Expected construction commencement date:	October 2024

The Acceptance Letter is the conclusive document for the award of the Property to the Target Company and the Target Company will not enter into any formal agreement(s) in relation to the acquisition of the Property.

INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT AND SHAREHOLDERS' AGREEMENT

The Purchaser

The Purchaser is a company incorporated in Singapore and is principally engaged in property development, it is an indirect wholly-owned subsidiary of the Company.

The Vendor

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Vendor is an Independent Third Party.

Evermega

Evermega is a company incorporated in Singapore and is principally engaged in property development. As at the Latest Practicable Date, Evermega is the owner of 35% of the issued share capital of the Target Company. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Evermega is wholly-owned by the Vendor, and each of Evermega and its ultimate beneficial owner is an Independent Third Party.

Apex Asia

Apex Asia is a company incorporated in Singapore and is principally engaged in property development. As at the Latest Practicable Date, Apex Aisa is the owner of 10% of the issued share capital of the Target Company. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Apex Asia is ultimately owned as to 70% by Li Jun and as to 30% by Tan Shu Mei, and each of Apex Asia and its ultimate beneficial owners is an Independent Third Party.

Happy Twl

Happy Twl is a company incorporated in Singapore and is principally engaged in property development. As at the Latest Practicable Date, Happy Twl is the owner of 10% of the issued share capital of the Target Company. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Happy Twl is ultimately owned as to 95% by Mr. Daniel Tan Poon Kuan, and each of Happy Twl and its ultimate beneficial owner is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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 specialized in reinforcement concrete works which it has undertaken on a selected basis in the subcontractor projects.

During 2020 to 2022, the construction sector of Singapore in general has been continually disrupted by the Covid-19 pandemic. Despite the construction sector has gradually rebounded since 2023, the market environment remains challenging due to the rising operating costs, notably by the significant increases in material and labour costs. Contrastingly, the property prices in Singapore have been rising throughout the Covid-19 pandemic and continues to demonstrate positive growth during the post-pandemic period. With the rising operating costs and increasing competitive construction sector in sight, the Company is of the view that the Transactions, involving the Acquisition and subsequent development of the Property, will enable the Company to strategically utilise the existing resources of the Group, venture into the property development business, diversifying the Group's revenue streams and capturing new opportunities in the booming Singapore's industrial property market as elaborated below.

According to the "Q2 2023 Singapore Industrial Market Report" (the "**Report**"), a market research report published by Colliers, both the JTC All Industrial Price Index and JTC All Industrial Rental Index, being the major indices measuring the prices and rental of industrial properties in Singapore, have grown for the eleventh consecutive quarter as at the second quarter of 2023, indicating the booming industrial property market in Singapore, which is primarily attributable to the lagging supply of industrial property caused by the construction delays during the Covid-19 pandemic and other policy factors. As disclosed in the Report, despite expectations that both rental and price growth may slow down in the upcoming quarters, the demand for higher specification industrial assets will continue to rise, including demand from industries of advanced manufacturing, logistics, biomedical and food sectors. Furthermore, as reported by The Business Times, a Singaporean financial newspaper, industrial properties have provided the highest net yields in Singapore commercial real estate as compared with the net yields of properties with office or retail use during the period between the second quarter of 2020 up to the second quarter of 2023.

Taking into account the above favourable factors, the Company considers that the Singapore's industrial property market has demonstrated steady growth and great potential and the Transactions will allow the Group to gain a foothold in industrial property development at a prime location in Singapore. Particularly, the Property is conveniently located at close proximity to the Tai Seng MRT Station in Singapore, its "Business 1 – White" zoning which permits a mixed development of industrial and commercial uses is also of scarce supply in Singapore, providing the Target Company in flexibility in its redevelopment plannings as well as enhancing the value of the Property. Based on the preliminary redevelopment plans of the Property, the Target Company intends to redevelop the Property into a modern food processing facility, and stemming by the increasing demand in high-end industrial facilities from various sectors, including the food sector, the Company is optimistic that the acquisition and development of the Property via the Transactions will allow the Company to capture the opportunities of the industrial property market, creating long term benefits to the Group.

The Company also considered that acquisition and redevelopment of the Property via the Transactions align with the Group's existing businesses and leverages on the Group's present strengths and expertise. For instance, (i) the Group has been involved in small scale industrial property development by virtue of the construction of the Group's headquarter complex in Singapore, of which part of the building was leased out mainly as shops, warehouses and offices, albeit classified as investment properties of the Group under the appropriate accounting reporting standards; and (ii) the Group has been a long-time player in the Singapore's construction sector, with experience in the construction of various types of properties, including industrial properties, enabling the Group to accumulate technical know-hows, put in place key management team with both technical and business development expertise, and establish business relationships and networks with various construction materials suppliers and market players, all of which are essential and transferable to industrial property development, the Company is therefore confident that it has the capabilities to scale and expand the Group's businesses into property development.

The Company further considered that the structure of the Transactions is favourable to the Company and the Shareholders as a whole. Specifically, large properties or land for development in Singapore are typically sold by way of tender. Although the Group has long intended to expand its current businesses to property development, due to restrictions under the Listing Rules, a meaningful expansion of the Group's businesses into property development by submission of tender was not feasible, as the Company is compelled to disclose key terms of potential tenders and is also subject to Shareholders' approval requirements. Such compliance requirement significantly limits the Group's chance of success as the submission of tender will inevitably be delayed pending Shareholders' approval and other competing tenderers can also outbid the Company based on the information disclosed by the Company. The present Transactions structure is a rare property development opportunity, of which the tendering process have already been completed, and allows the Company to take a major stake in the development of the Property by joining other market players in forming a consortium at a reasonable price, at the same time fulfilling the compliance requirements under the Listing Rules regulatory framework.

In view of the aforesaid, the Directors consider that the terms of the Sale and Purchase Agreement for the Acquisition and the Capital Commitment are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Transactions exceeds 100%, the Transactions will constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. Accordingly, the Sale and Purchase Agreement and the Transactions are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has any material interest in the Sale and Purchase Agreement and the Transactions contemplated thereunder, as such, none of the Directors is required to abstain from voting on the relevant resolution approving the Sale and Purchase Agreement and the Transactions contemplated thereunder at the Board meeting.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Sale and Purchase Agreement and the Transactions contemplated thereunder, as such, none of the Shareholders and their associates is required to abstain from voting at the EGM for the approval of the Sale and Purchase Agreement and the Transactions contemplated thereunder.

EGM

The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The EGM will be convened and held at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499 on Monday, 18 March 2024 at 10:00 a.m. for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the Transactions contemplated thereunder. The voting at the EGM will be taken by way of poll.

The register of members of the Company will be closed from Wednesday, 13 March 2024 to Monday, 18 March 2024 (both days inclusive), during which period no transfer of Shares will be registered. All transfers of shares of the Company accompanied by the relevant Share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 12 March 2024.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM (i.e. Saturday, 16 March 2024 at 10:00 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if they so wish.

RECOMMENDATIONS

The Directors consider that the Sale and Purchase Agreement and the Transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution approving the Sale and Purchase Agreement and the Transactions contemplated thereunder to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

For and on behalf of the Board
BHCC Holding Limited
Mr. Yang Xinping
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, has been set out in the following documents and is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bhcc.com.sg):

a) the annual report of the Company for the year ended 31 December 2020 published on 29 April 2021, from pages 44 to 116:

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901119.pdf

b) the annual report of the Company for the year ended 31 December 2021 published on 29 April 2022, from pages 44 to 120:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042901931.pdf

c) the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023, from pages 43 to 118:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042704664.pdf

d) the interim report of the Company for the six months ended 30 June 2023 published on 29 September 2023, from p.13 to 40:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0929/2023092900626.pdf

2. INDEBTEDNESS

The following table set forth a breakdown of the Enlarged Group's indebtedness as at 31 December 2023, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement.

	As at 31 December 2023 S$
Bank loan – secured (Notes a, b)	12,389,882
Other borrowings – secured (Note c)	58,479
Shareholder Loan (Note d)	8,141,376
	20,589,737

Analysed as:	
Carrying amount repayable within one year	11,373,677
Carrying amount repayable over one year	9,216,060
	20,589,737

Notes:

a. As at 31 December 2023, a loan with an outstanding balance of S$10.05 million was secured by the legal mortgage over the Enlarged Group's mixed commercial and industrial development property carrying interest rate of 1.25% over the bank's cost of funds or 1.25% over the applicable swap offer rate as determined by the bank on the day of transaction, whichever is higher. It is also secured by a corporate guarantee provided by the Company.

b. As at 31 December 2023, a five-year temporary bridging loan with an outstanding balance of S$2.34 million carries a fixed interest rate of 2%. It is secured by a corporate guarantee provided by the Company.

c. The Group purchased certain copiers and a motor vehicle via hire purchase agreement, constituting in-substance purchases with financing arrangements. As at 31 December 2023, Interest rates underlying all obligations under hire purchase were fixed at respective contract dates and were 1.5% to 3%. The obligations under hire purchase are secured by charge over the leased assets with aggregate carrying value of approximately S$187,056.

d. The amounts due to shareholders are unsecured, interest-free, non-revolving and without any fixed date or term of repayment.

Lease liabilities

	As at 31 December 2023 S$
Lease liabilities payable:	
Within one year	228,634
Over one year	57,772
	286,406

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function.

The above represents leases for certain staff dormitories, site office premises, office equipment and motor vehicle of the Group. The weighted average incremental borrowing rate was 3.44% per annum.

Contingent liabilities

As at 31 December 2023, the Enlarged Group had provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S$50.0 million.

Charge of assets

As at 31 December 2023, the carrying amount of leasehold land, leasehold property, and investment properties, amounting to approximately S$18.2 million were pledged to banks to secure bank borrowings.

Save as those disclosed, the Enlarged Group did not have any outstanding debt securities issued and outstanding or authorised or otherwise created but unissued, term loans bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantee or other material contingent liabilities as at 31 December 2023.

3. WORKING CAPITAL

The Directors are of the opinion that taking into account the effect of the Transactions, the cash flows generated from operating activities, the financial resources available to the Enlarged Group, including internally generated funds and existing facilities, the working capital available to the Enlarged Group is sufficient for the Enlarged Group's requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 December 2022, being the date of which the latest published audited consolidated accounts of the Company were made up to, and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group existing business mainly focuses in the provision of building and construction works in Singapore. The global growth on economic activity decelerated in 2023 due to various uncertain factors such as rising interest rates, high inflation and the impact of the geopolitical conflicts. For the year 2023, Singapore's economy grew by 1.2%, a slower pace from the 3.6% growth in 2022. Despite the fact that Singapore's economic growth slowed in the first half of 2023, Singapore's GDP grew by 2.8% in the fourth quarter of 2023.

Looking more specifically in the construction industry in Singapore, the outlook of the construction industry remains positive and is expected to strengthen in 2024, due to largely planned public housing projects. Furthermore, the Building and Construction Authority of Singapore (BCA) forecasts a total construction demand with contract values ranging from S$32 billion to S$38 billion in 2024, mainly contributed by the increasing demand in the public sector with contract values between S$18 billion and S$21 billion. The BCA also expects a steady improvement in construction demand in Singapore over the medium term during 2025 to 2028. With the gradual recovery of the construction industry, the Group's revenue rose to approximately $143.3 million during the six months ended 30 June 2023, an increase of 52.4% from the previous period. The Board believes that with its healthy project order books, the Enlarged Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives. The Company expects to: (a) implement refined strategies such as advanced planning, simplifying construction methods and optimizing designs; (b) expand the Enlarged Group's business and strengthen the Enlarged Group's market position in the construction industry in Singapore; (c) pursue higher value contracts; and (d) enhance and expand the Group's workforce to keep up with the Group's business expansion.

As at the Latest Practicable Date, it is the plan of the Company to expand the Enlarged Group's business into property development by the Acquisition and the redevelopment of the Property, for details of the reason of expansion and the preliminary plans in relation to the development of the Property, please refer to the paragraph headed "Reasons for and benefits of the Transactions" in the Letter from the Board contained in this circular.

With the rising operating costs and increasing competitive construction sector in sight, the Company is of the view that the Transactions, involving the Acquisition and subsequent redevelopment of the Property, will enable the Company to strategically utilise the resources of the Enlarged Group, venture into the property development business, diversifying the Enlarged Group's revenue streams and capturing new opportunities in the booming Singapore's industrial property market. Save as disclosed, there is not expected to be any further change to the Group's principal business as a result of the Transactions and the Group will continue to focus on its core businesses upon Completion.

Special trade factors or risks

The Enlarged Group does not face any specific and direct special trade factors or risks. However, the Acquisition and subsequent development of the Property by the Enlarged Group may face indirect risk factors such as change in market environment, changes in regulatory policies in general and with respect to industrial properties in Singapore, and geopolitical tensions. For instance, an increase in bank interest may lead to an increase in the cost of the redevelopment project, adjustments to government industrial policies, such as adjustment of stamp duties rates may affect the decline in sales of industrial plants, and continuing escalation of geopolitical tensions may negatively affect business environments and may lead to an increase in raw material and labor costs which will in turn adversely impact the Enlarged Group's business and operations.

6. ACQUISITIONS AFTER THE DATE OF THE LATEST PUBLISHED AUDITED ACCOUNTS

Save for the Transactions contemplated under the Sale and Purchase Agreement (details of which are disclosed in this circular), since 31 December 2022 (being the date of which the latest published audited consolidated accounts of the Company were made up to), no member of the Group has acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditor's report or next published accounts of the Company.

The aggregate of the remuneration payable to and benefits in kind received by the Directors will not be varied in consequence of the Transactions.

The following is the text of a report on the Target Company received from the Company's reporting accountant, D & Partners CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BHCC HOLDING LIMITED

Introduction

We report on the historical financial information of Evermega Investment Holdings Pte. Ltd. (the "**Target Company**") set out on pages II-4 to II-16, which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Target Company for period from 28 August 2023 (date of incorporation) to 31 December 2023 (the "**Relevant Period**"), and the statement of financial position of the Target Company as at 31 December 2023 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II- 4 to II-16 forms an integral part of this report, which has been prepared for inclusion in the circular of BHCC Holding Limited (the "**Company**") dated 28 February 2024 (the "**Circular**") in connection with the proposed acquisition of the Target Company by the Company.

Director's responsibility for the Historical Financial Information

The director of the Target Company is responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the director of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical

Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Company as at 31 December 2023, and of the financial performance and cash flows of the Target Company for the Relevant Period in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements for the Target Company have been made.

Dividends

We refer to note 8 to the Historical Financial Information which states that no dividends have been paid by the Target Company in respect of the Relevant Period.

No historical financial statements for The Target Company

As at the date of this report, no statutory financial statements have been prepared for the Target Company since its date of incorporation.

D & PARTNERS CPA LIMITED
Certified Public Accountants

Hong Kong, 28 February 2024

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Relevant Period, on which the Historical Financial Information is based, were audited by D & Partners CPA Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board on (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Singapore Dollars ("**S$**") except when otherwise indicated.

Statement of profit or loss and other comprehensive income

	Note	For the period from 28 August 2023 (date of incorporation) to 31 December 2023 S$
Revenue		-
General and administrative expenses		(1,626)
LOSS BEFORE TAX	7	(1,626)
Income tax expenses		-
LOSS AND OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD		(1,626)
Attributable to:		
Owners of the Target Company		(1,626)

Statement of financial position

	Notes	As at 31 December 2023 S$
CURRENT ASSET		
Deposit paid and prepayment for acquisition of land	9	8,140,750
Total current asset		8,140,750
CURRENT LIABILITY		
Amounts due to shareholders	10	8,141,376
Total current liability		8,141,376
Net current liability and net liability		(626)
DEFICIT IN EQUITY		
Share capital	11	1,000
Accumulated loss		(1,626)
Total deficit		(626)

Statement of changes in equity

	Attributable to owners of the Target Company		
	Share capital S$	Accumulated loss S$	Total deficit S$
Balance as at 28 August 2023(date of incorporation)	-	-	-
Loss and total comprehensive loss for the period	-	(1,626)	(1,626)
Total comprehensive loss for the period	-	(1,626)	(1,626)
Issuance of share capital	1,000	-	1,000
Balance as at 31 December 2023	1,000	(1,626)	(626)

Statement of cash flows

	For the period from 28 August 2023 (date of incorporation) to 31 December 2023
	S$
Operating activities	
Operating cash flows before working capital changes	(1,626)
Movements in working capital:	
Deposit paid and prepayment for acquisition of land	(8,140,750)
Net cash used in operating activities	(8,142,376)
Financing activity	
Advances from shareholders	8,142,376
Net cash from financing activity	8,142,376
Net cash increase or decrease in cash and cash equivalents	-
Cash and cash equivalents as at 28 August 2023 (date of incorporation)	-
Cash and cash equivalents as at 31 December 2023	-

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Target Company is an exempted company with private limited liability incorporated under Singapore on 28 August 2023. The registered office of The Target Company is located at 3791 Jalan Bukit Merah, #05-21 E-centre @ Redhill, 159471, Singapore.

The principal activity of the Target Company is engaged in real estate development in Singapore.

In the opinion of the director of the Target Company, the shareholders of the Company are Teo Wai Leong, Evermega Pte. Ltd., Apex Asia Asia Playfair Pte. Ltd. And Happy TWL Pte. Ltd.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRSs effective for the accounting period commencing from 1 January 2023, together with the relevant transitional provisions, have been early adopted by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Period.

The Historical Financial Information has been prepared under the historical cost convention.

Going concern

Notwithstanding that the Target Company had net current liabilities and net liabilities of S$626 as at 31 December 2023, in the opinion of the Target Company's director, the Target Company is able to operate as a going concern since the shareholders of the Target Company, has undertaken to arrange the payment of the liabilities due to the shareholders according to the profitability and cash flow situation of the Target Company, and provide sufficient working capital to enable the Target Company to meet its liabilities and obligations as and when they fall due and to continue its operations.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Target Company has not applied the following revised IFRSs, which have been issued but are not yet effective, in the Historical Financial Information:

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between and Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]

Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[3]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "***2020 Amendments***")*[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]

[1] *Effective for annual periods beginning on or after 1 January 2024*
[2] *No mandatory effective date yet determined but available for adoption*
[3] *An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17*

The Target Company is in the process of making a detailed assessment of the impact of these revised IFRSs upon initial application. So far, the Target Company considers that these revised IFRSs are unlikely to have a significant impact on the Target Company's financial performance and financial position in the period of initial application.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Related parties

A party is considered to be related to the Target Company if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to the parent of the Target Company.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets except those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Target Company's financial liabilities include amounts due to shareholders.
Subsequent measurement

The subsequent measurement of financial liabilities is as follows:

Financial liabilities at amortised cost (amounts due to shareholders)

After initial recognition, amounts due to shareholders, are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statements of profit or loss.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Target Company's Historical Information requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the development, selection and disclosure of the Target Company's critical accounting policies and estimates. There are no critical accounting judgements and estimates in applying the Target Company's accounting policies.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Target Company has only one reportable operating segment, which is real estate development as the project is under construction at present. Since this is the only reportable operating segment of the Target Company, no further operating segment analysis thereof is presented.

Geographical information

During the Relevant Period, since the Target Company has operations in Singapore only, no further operating geographical segment analysis thereof is presented.

5. DIRECTOR’S AND CHIEF EXECUTIVE’S REMUNERATION

The Target Company was incorporated on 28 August 2023. TEO Wai Leong was appointed as the executive director and the chief executive of the Target Company on 28 August 2023.

TEO Wai Leong did not receive any remuneration from the Target Company during the Relevant Period.

6. FIVE HIGHEST PAID EMPLOYEES

During the Relevant Period, no salary, allowances and benefit was paid or payable to the director or staff of the Target Company.

7. LOSS BEFORE TAX

The Target Company’s loss before tax is arrived at after charging:

	For the period from 28 August 2023 (date of incorporation) to 31 December 2023 S$
Employee benefit expense	-
Incorporation fee	1,626

8. DIVIDENDS

No dividends have been paid or declared by the Target Company during the Relevant Period.

9. DEPOSIT PAID AND PREPAYMENT FOR ACQUISITION OF LAND

The Target Company has paid deposit of approximately S$4.1 million and prepayment for stamp duty of approximately S$4.0 million to acquire the land in the Singapore for properties development. Upon the completion, the Target Company will sell the properties for generating the income, accordingly the deposit paid for acquisition of land was classified as current asset in the statement of financial position as at 31 December 2023.

10. AMOUNTS DUE TO SHAREHOLDERS

The amounts due to shareholders are unsecured, interest-free, non-revolving and without any fixed date or term of repayment.

11. SHARE CAPITAL

During the Relevant Period, movements in paid in capital are set out below:

	Number of shares	Share capital
		S$
Issued and fully paid of the Target Company:		
At 28 August 2023	-	-
Share allotment	1,000	1,000
At 31 December 2023	1,000	1,000

12. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. In view of the Target Company's expansion strategy, the Target Company has sourced funding from its shareholders and continued to look for other external financing sources. The Target Company's overall strategy remains unchanged from the prior year.

The director of the Target Company reviews the capital structure on an annual basis. As part of this review, the director of the Target Company considers the cost of capital and the risks associated with the paid-in capital. Based on the recommendation of the director of the Target Company, the Target Company will balance its overall capital structure through the payment of dividends, new share issues, raising of new borrowings or redemption of debts.

The capital structure of the Target Company consists of net debt, which includes the amounts due to the shareholders. The gearing ratio as at the end of each of the Relevant Period was as follows:

	As at 31 December 2023
	S$
Amounts due to shareholders	8,141,376
Net debt	8,141,376
Total assets	8,140,750
Gearing ratio	1.00

13. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Period are as follows:

	As at 31 December 2023
	S$
Financial liabilities at amortised cost	
Amounts due to shareholders	8,141,376
	8,141,376

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair value of the amounts due to shareholders approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Target Company's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. As at the end of each of the Relevant Period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair value of the financial liability is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Target Company's principal financial instruments mainly include the amounts due to shareholders, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Target Company's operations.

The main risk arising from the Target Company's financial instruments is liquidity risk. Generally, the Target Company introduces conservative strategies on its risk management. The Target Company does not hold or issue derivative financial instruments for trading purposes. The director reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The Target Company's objective is to maintain a balance between continuity of funding and flexibility through the use of an amount due to the immediate holding company. Cash flows are being closely monitored on an ongoing basis.

The maturity profiles of the Target Company's financial liabilities at the end of each of the Relevant Period, based on the contractual undiscounted payments, are without any fixed date or term of repayment.

16. COMMITMENTS

The Target Company had the following capital commitments at the end of each of the Relevant Period:

	As at 31 December 2023 S$
Property development expenditure	77,121,000

17. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties:

Details of the Target Company's balances with related parties as at the end of each of the Relevant Period are included in note 10 to the Historical Financial Information.

18. EVENT AFTER THE RELEVANT PERIOD

There was no material subsequent event undertaken by the Target Company after 31 December 2023.

The following is the text of a report received from the Company's reporting accountants, D & Partners CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(i) Introduction

The following is a summary of the illustrative unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows (the "**Unaudited Pro Forma Financial Information**") of Enlarged Group (being the Group together with the Target Company) as if the proposed acquisition of the Target Company (the "**Acquisition**") had been completed on (i) 30 June 2023 in respect of the unaudited pro forma statement of financial position of the Enlarged Group; and (ii) 1 January 2022 in respect of the unaudited pro forma statement of profit or loss and other comprehensive income and the unaudited pro forma statement of cash flows of the Enlarged Group.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the actual results of financial position, operations or cash flows of the Enlarged Group that would have been attained had the proposed Acquisition been completed on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Enlarged Group's future results of financial position, operations or cash flows.

The Unaudited Pro Forma Financial Information is prepared based on (i) the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2023 as extracted from the published condensed interim report of the Company for the six months ended 30 June 2023 and the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31

December 2022 as extracted from the published annual report of the Company for the year ended 31 December 2022; (ii) the audited statement of financial position of the Target Company as at 31 December 2023, the statement of profit or loss and other comprehensive income and the statement of cash flows of the Target Company for the period from 28 August 2023 (date of incorporation) to 31 December 2023 as extracted from the accountants' report set out in Appendix II to this circular; and (iii) after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2022, the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2023, on which no review report has been published and that of the Target Company, as set out in this circular and the accountants' report on the Target Company set out in Appendix II to this circular.

(ii) Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

	The Group as at 30 June 2023	The Target Company as at 31 December 2023	Pro forma adjustments				Unaudited pro forma of Enlarged Group
	S$	S$	S$	S$	S$	S$	S$
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	
ASSETS AND LIABILITIES							
Non-current assets							
Property, plant and equipment	13,472,898	-					13,472,898
Intangible assets	380,000	-					380,000
Investment properties	15,095,290	-					15,095,290
Right-of-use assets	338,536	-					338,536
Deposits paid	49,600	-					49,600
Other assets	83,304	-					83,304
	29,419,628	-					29,419,628
Current assets							
Deposit paid and prepayment for acquisition of land	-	8,140,750	1,826,550	(4,477,307)		626	5,490,619
Trade receivables	9,702,699	-					9,702,699
Other receivables and deposits	5,994,727	-					5,994,727
Other assets	77,078	-					77,078
Contract assets	45,559,730	-					45,559,730
Cash and cash equivalents	33,332,116	-	(5,490,619)		(161,593)		27,679,904
	94,666,350	8,140,750					94,504,757
Current liabilities							
Trade and other payables	(67,087,575)	-					(67,087,575)
Contract liabilities	(360,159)	-					(360,159)
Provision for onerous contracts	(898,900)	-					(898,900)
Amounts due to shareholders	-	(8,141,376)	3,664,069	4,477,307			-
Lease liabilities	(203,945)	-					(203,945)
Borrowings	(11,922,351)	-					(11,922,351)
Income tax payable	(171,589)	-					(171,589)
	(80,644,519)	(8,141,376)					(80,644,519)
Net current assets	14,021,831	(626)					13,860,238
Total assets less current liabilities	43,441,459	(626)					43,279,866
Non-current liabilities							
Deposits	(266,886)	-					(266,886)
Lease liabilities	(145,579)	-					(145,579)
Borrowings	(1,727,768)	-					(1,727,768)
	(2,140,233)	-					(2,140,233)
Net assets	41,301,226	(626)					41,139,633

	The Group as at 30 June 2023	The Target Company as at 31 December 2023		Pro forma adjustments			Unaudited pro forma of Enlarged Group
	S$	S$	S$	S$	S$	S$	S$
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	
Share capital	1,389,830	1,000				(1,000)	1,389,830
Reserves	39,911,396	(1,626)			(161,593)	1,626	39,749,803
Equity attributable to owners of the Company	41,301,226	(626)					41,139,633

(iii) Unaudited Pro Forma Consolidated Statement of Profit or Loss or Loss and Other Comprehensive Income of the Enlarged Group

	The Group for the year ended 31 December 2022	The Target Company for period from 28 August 2023 (date of incorporation) to 31 December 2023	Pro forma adjustments		Unaudited pro forma of Enlarged Group
	S$	S$	S$	S$	S$
	(note 1)	(note 2)	(note 5)	(note 6)	
REVENUE	205,313,730	-			205,313,730
Cost of services	(211,119,387)	-			(211,119,387)
Gross loss	(5,805,657)	-			(5,805,657)
Other income	645,766	-			645,766
Other gains and losses	33,071	-			33,071
Selling expenses	(24,820)	-			(24,820)
Administrative expenses	(3,141,966)	(1,626)	(161,593)	1,626	(3,303,559)
Finance costs	(422,551)	-			(422,551)
Loss before tax	(8,716,157)	(1,626)			(8,877,750)
Income tax expense	(77,352)	-			(77,352)
Loss and total comprehensive loss for the year/period	(8,793,509)	(1,626)			(8,955,102)

(iv) Unaudited Pro Forma Consolidated Statement of Cash Flows of the Enlarged Group

	The Group for the year ended 31 December 2022	The Target Company for period from 28 August 2023 (date of incorporation) to 31 December 2023	Pro forma adjustments				Unaudited pro forma of Enlarged Group
	S$	S$	S$	S$	S$	S$	S$
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	
Operating activities							
Loss before taxation	(8,716,157)	(1,626)			(161,593)	1,626	(8,877,750)
Adjustments for:							
Depreciation of property, plant and equipment	1,607,905	-					1,607,905
Depreciation of investment properties	732,666	-					732,666
Depreciation of right-of-use assets	224,402	-					224,402
Provision for onerous contracts	1,842,337	-					1,842,337
Finance costs	422,551	-					422,551
Interest income	(72,407)	-					(72,407)
Exchange gain, net	(33,071)	-					(33,071)
Operating cash flows before working capital changes	(3,991,774)	(1,626)			(161,593)	1,626	(4,153,367)
Movements in working capital:							
Trade receivables	(3,104,610)	-					(3,104,610)
Other receivables and deposits	(5,398,450)	-					(5,398,450)
Deposit paid and prepayment for acquisition of land	-	(8,140,750)	(1,826,550)	4,477,307		(626)	(5,490,619)
Other assets	19,330	-					19,330
Contract assets	(7,347,625)	-					(7,347,625)
Trade and other payables	17,037,805	-					17,037,805
Contract liabilities	(244,848)	-					(244,848)
Cash used in operations	(3,030,172)	(8,142,376)	(1,826,550)	4,477,307	(161,593)	1,000	(8,682,384)
Income tax paid	(512,222)	-					(512,222)
Net cash used in operating activities	(3,542,394)	(8,142,376)	(1,826,550)	4,477,307	(161,593)	1,000	(9,194,606)

	The Group for the year ended 31 December 2022	The Target Company for period from 28 August 2023 (date of incorporation) to 31 December 2023	Pro forma adjustments				Unaudited pro forma of Enlarged Group
	S$	S$	S$	S$	S$	S$	S$
	(note 1)	(note 2)	(note 3)	(note 4)	(note 5)	(note 6)	
Investing activities							
Purchase of property, plant and equipment	(797,043)	-					(797,043)
Interest received	32,543	-					32,543
Net cash used in investing activities	(764,500)	-					(764,500)
Financing activities							
Advances from shareholders	-	8,142,376	(3,664,069)	(4,477,307)		(1,000)	-
Decrease in pledged deposits	988,770	-					988,770
Interest paid	(404,797)	-					(404,797)
Repayments of borrowings	(2,355,716)	-					(2,355,716)
Repayment of lease liabilities	(214,693)	-					(214,693)
Net cash used in financing activities	(1,986,436)	8,142,376	(3,664,069)	(4,477,307)		(1,000)	(1,986,436)
Net decrease in cash and cash equivalents	(6,293,330)	-	(5,490,619)	-	(161,593)	-	(11,945,542)
Cash and cash equivalents at beginning of the year	36,153,800	-					36,153,800
Effect of foreign exchange rate changes on the balance of cash	33,071	-					33,071
Cash and cash equivalents at end of the year	29,893,541	-	(5,490,619)	-	(161,593)	-	24,241,329

(v) Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group

(1) For the preparation of the unaudited pro forma consolidated statement of financial position, the amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2023 as set out in the published interim report of the Group for the six months ended 30 June 2023, whereas for the preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows, the amounts are extracted from the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2022, respectively, as set out in the published annual report of the Group for the year ended 31 December 2022.

(2) The amounts were extracted from Appendix II to this circular.

(3) On 4 January 2024, BHCC Development Pte. Ltd (the "Purchaser"), a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company entered into the Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire 45% of the entire issued share capital of the Target Company from the Vendor at an aggregate consideration of S$5,490,619.

The aggregate consideration of S$5,490,619 is comprised of:

a. Consideration payable of S$3,664,069 calculated based on the 45% sharing on the deposit paid and prepayment for acquisition of land and the incorporation cost of the Target Company; and

b. Second instalment payable of S$1,826,550 calculated based on the 45% sharing on the second instalment paid as the deposit paid for acquisition of land in accordance with the land acquisition tender. Since the second instalment of S$4,059,000 is paid by the Target Company in January 2024, in which is financed by the shareholders of the Target Company, the Statement of Financial Position of the Target Company as at 31 December 2023 did not reflect the aforesaid amount in both the asset and liability side.

For the purpose of the Unaudited Pro Forma Financial Information of the Enlarged Group, the directors of the Company have performed a preliminary assessment to determine the applicable accounting treatments for this Acquisition. In view of the Target Company is an investing holding company and does not constitute a business, as required by the IFRS 3 Business Combinations, the acquirer shall identify and recognise the individual identifiable assets acquired and liabilities assumed.

The pro forma adjustment represents the aggregate consideration amounting to S$5,490,619 paid to the shareholders of the Target Company for (a) settlement of the consideration payable of S$3,664,069 for the Acquisition of the Target Company by the Group; and (b) settlement of the second instalment payable of S$1,826,550 as if the Acquisition was completed on 30 June 2023.

(4) The pro forma adjustment is to eliminate the portion not belonging to the Group, i.e. 55% of deposit paid and prepayment for acquisition of land and incorporation cost of the Target Company to the existing shareholders of the Target Company.

(5) For the purpose of the preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, the total transaction costs of legal, accountancy and other professional services to the Acquisition are estimated to be S$161,593.

(6) The pro forma adjustment is to eliminate the share capital and the operating results of the Target Company as the acquisition is to be accounted for as asset acquisition.

(7) Save as set out above, no other adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group and the Target Company entered into subsequent to 30 June 2023 for the unaudited pro forma consolidated statement of financial position as at 30 June 2023, and subsequent to 1 January 2022 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2022, as if the Acquisition had taken place at 30 June 2023 and 1 January 2022, respectively.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of BHCC Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of BHCC Holding Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") and Evermega Investment Holdings Pte. Limited (the "**Target Company**") (the Group together with the Target Company are collectively referred to as the "**Enlarged Group**"), by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2023, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2022 and related notes as set out in Section A of Appendix III to the circular dated 28 February 2024 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the acquisition of the entire issued share capital of the Target Company by the Company (the "**Acquisition**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact on the Group's financial position as at 30 June 2023 and on the Group's financial performance and cash flows for the year ended 31 December 2022 as if the transaction had taken place at 30 June 2023 and 1 January 2022 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2022 and the Group's interim condensed financial statements for the six months ended 30 June 2023, on which an independent auditor's report has been published, and the information about the Target Company's financial position, financial performance and cash flows has been extracted by the Directors from the Target Company's financial statements as set out in Appendix II to the Circular.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial

Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

D & PARTNERS CPA LIMITED
Certified Public Accountants

Hong Kong, 28 February 2024

The following is the text of a report received from the Company's independent valuer, Roma Appraisals Limited, for the purpose of incorporation in this circular.

ROMA

Rooms 1101-4, 11/F, Harcourt House,
39 Gloucester Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http:// www.romagroup.com

28 February 2024

BHCC Holding Limited
No. 1 Tampines North Drive 3
#08-01
BHCC SPACE
Singapore 528499

Dear Sir/Madam,

Re: Property Valuation of 50 Playfair Road, Singapore 367995 located in Singapore

In accordance with your instructions for us to value the property to be acquired by BHCC Holding Limited (the "Company") and / or its subsidiaries (together with the Company referred to as the "Group") for future development in Singapore, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property as at 31 December 2023 (the "Date of Valuation") for the purpose of incorporation in the circular of the Company dated 28 February 2024.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the property by direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to recent comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

We have carried out land searches at the Singapore Land Authority. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. We do not accept a liability of any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as location, time, floor areas, age of building and all other relevant matters which can affect the value of the property. All public documents/information or documents/information provided by the Group related to aforesaid matters such as building plans, land register, occupancy status, etc, have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the floor areas of the property under consideration but we have assumed that the floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuations are prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Singapore Dollar (“SGD”).

Our Valuation Certificate is attached.

8. Independent Clause

We are independent from the Company and its subsidiaries (collectively, the "Group") and their respective directors and controlling shareholders and that we do not have any direct or indirect material interest in the securities or assets of the Group, its connected persons, or any associate of the Group.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Frank F. Wong
BA (Business Admin in Acct/Econ) MSc (Real Est)
MRICS Registered Valuer MAusIMM ACIPHE
Director, Head of Property and Asset Valuation

Note: Mr. Frank F. Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering with over 25 years of valuation, transaction advisory and project consultancy experience of property in Hong Kong and 17 years of experience in valuation of property in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, Thailand, France, Germany, Czech Republic, Austria, Poland, United Kingdom, United States, Abu Dhabi (UAE), Ukraine and Jordan.

VALUATION CERTIFICATE

Property to be acquired by the Group for future development

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2023
50 Playfair Road, Singapore 367995	The property comprises an 8-storey industrial building with a gross floor area of approximately 80,389 sq.ft. completed in the 1980s. Pursuant to Singapore Land Authority, the property is erected on a site legally known as Lot No. MK24-6130T, with a site area of approximately 2,489 sq.m. As advised by the Group, the property will be redeveloped as Business-1 White Industrial Development, with total planned gross floor area of approximately 8,711.5 sq.m. The proposed redevelopment project is to be commenced in October 2024. Upon completion, there will be a block of 13-storey industrial building equipped with 44 car parking spaces. The estimated total construction costs for the redevelopment are approximately SGD40,000,000 (including demolition of existing buildings and associated new construction cost but excluding marketing, finance and other indirect costs). No architectural plans or planning consent has been obtained and any conditions imposed in respect of such approval. The property is held under an Estate in Fee Simple.	As advised, the property was existing owner-occupied as at the date of valuation.	SGD82,000,000

Notes:

1. Pursuant to the letter of acceptance – tender of 50 Playfair Road Singapore date 22 November 2023, collective purchase of all the strata lots and common property comprised in strata title plan no. 1203 in the development at 50 Playfair Road, Singapore comprised in land lot no. 6130t of Mukim 24 with total land area of 2,489 sq.m. at offer price SGD81,180,000.

2. Pursuant to Certificates obtained from Singapore Land Authority, the proprietors of the properties are as follow:

No.	Unit No.	Name of Registered Proprietor	Strata Lot No.
1	01-01	RADIUM INVESTMENTS PTE. LTD.	MK24-U21347C
2	01-02	RADIUM INVESTMENTS PTE. LTD.	MK24-U21336V
3	02-01	SURVEY INSTRUMENTS SERVICES PTE LTD	MK24-U21340P
4	02-02	LTO HOLDINGS PTE LTD	MK24-U21361N
5	02-03	ANCRA HOLDINGS (S) PTE. LTD.	MK24-U21356A
e	02-04	KANG CHOON ANG	MK24-U2135OC
7	03-01	NOEL GIFTS INTERNATIONAL LTD	MK24-U21341T
8	03-02	TAN CHEE HUA/ LUM WAI CHEONG (UN WEICHANG)	MK24-U21362X
9	03-03	TOYOPOWER GLOBAL PTE. LTD. (FORMERLY KNOWN AS TRADE PROMOTERS INTERNATIONAL PTE LTD)	MK24-U21357K
10	03-04	ONG MING HWEE/ ONG YEW HWEE (WANG YOUHUI)/ ANTONIUS SUTANTO	MK24-U21351M
11	04-01	ASIAN PRINTING EQUIPMENT CENTRE PTE LTD	MK24-U21342A
12	04-02	AH BOON CIVIL ENGINEERING & BUILDING CONTRACTOR PTE LTD	MK24-U21337P
13	04-03	CATHERINE LIM WAN CHENG @ YEOW WAN CHENG' LUA SIEW LIN	MK24-U21358N
14	04-04	LOE SOU GIN/ CHAN MUN HON @ CHAN MUN HON ROBERT	MK24-U21352W
15	05-01	NOEL GIFTS INTERNATIONAL LTD	MK24-U21343K
16	05-02	TOYOPOWER GLOBAL PTE LTD. (FORMERLY KNOWN AS TRADE PROMOTERS INTERNATIONAL PTE LTD)	MK24-U21338T
17	05-03	VERBIER PTE. LTD.	MK24-U21359X
18	C5-04	WU YING/ QIAN HONGXIAO	MK24-U21353V
19	06-01	NOEL GIFTS INTERNATIONAL LTD	MK24-U21344N
20	06-02	NOEL GIFTS INTERNATIONAL LTD	MK24-U21339A
21	06-03	NOEL GIFTS INTERNATIONAL LTD	MK24-U21360K
22	06-04	NOEL GIFTS INTERNATIONAL LTD	MK24-U21354P
23	07-01	NOEL GIFTS INTERNATIONAL LTD	MK24-U21348M
24	07-02	NOEL GIFTS INTERNATIONAL LTD	MK24-U21346L
25	07-03	NOEL GIFTS INTERNATIONAL LTD	MK24-U21345X
26	07-04	NOEL GIFTS INTERNATIONAL LTD	MK24-U21355T
27	08-01	SURVEY INSTRUMENTS SERVICES PTE LTD	MK24-U21349W

As advised by the Group's legal adviser in Singapore, there is currently a binding contract (the "Contract") between the Group and the vendors for the collective purchase of all strata units and common property of the Property, with completion scheduled on 2 April 2024. As such, the Group currently has beneficial interest in the Property by virtue of the Contract.

On completion, the full Tender Acceptance Price will be paid in exchange for the transfers of the Property (the "Transfers"), title and other documents to allow registration of the Transfers with the Singapore Land Authority ("SLA") after completion. Once the Transfers have been registered by SLA, the Company will be reflected as having legal title of all strata units in the Property.

3. The property is subject to mortgages as follow:

Unit No.	In favor of:	Instrument No.	Instrument Date
02-01	DBS BANK LTD.	IB/98726W	4 July 2008
02-02	DBS BANK LTD.	IE/630851F/IE/630898N	3 November 2016
02-03	UNITED OVERSEAS BANK LIMITED	IA/586406P	26 March 2007
03-03	UNITED OVERSEAS BANK LIMITED	I/88716Q	13 June 2002
04-01	UNITED OVERSEAS BANK LIMITED	I/174231S	25 June 2004
04-02	HONG LEONG FINANCE LIMITED	IF/510512L	18 January 2019
05-02	TAT LEE BANK LIMITED	I/27303M	23 September 1998
05-03	STANDARD CHARTERED BANK	IC/33092C	24 November 2010
08-01	THE DEVELOPMENT BANK OF SINGAPORE LIMITED	I/19161L	5 March 1997

On the completion, all strata units in the development will be free from encumbrances. The property is not subject to existing mortgages taken up by the vendors of the relevant strata units.

4. The property lies within an area zoned Business 1 - White with maximum permissible gross plot ratio of 3.5 under the Singapore Master Plan Zoning 2019.

5. As advised by the Group's legal adviser in Singapore, vacant possession of all strata units in the development are to be delivered to the Group in accordance with Clauses 39 and 40 of the letter of acceptance – tender within 6 months after the date of actual completion. As such, there is no rental that will be binding on the Group.

6. The property is 400 metres to Tai Seng MRT Station and is accessible via Upper Paya Lebar Road, MacPherson Road, Kallang Paya Lebar Expressway (KPE), Pan Island Expressway (PIE) and Central Expressway (CTE).

7. Our estimated Gross Development Value of the property with gross floor area of about 8,711.5 sq.m. which is estimated to commence construction in October 2024 and the total construction cost is estimated to be SGD40,000,000, assuming it had been completed and ready for immediately occupancy as at the date of valuation and all outstanding development costs have been fully paid and settled, is the sum of SGD157,000,000.

8. Our inspection was performed by Jack Zhou, MSc (Real Estate & Hospitality Asset), with over 3 years property valuation experience, in February 2024.

The following is the management discussion and analysis of the Target Company for the period commencing from its date of incorporation, i.e. 28 August 2023, ended 31 December 2023. The following discussion and analysis should be read in conjunction with Appendix II – Accountants' Report on the Target Company in this circular.

FOR THE PERIOD COMMENCING FROM THE DATE OF INCORPORATION ENDED 31 DECEMBER 2023

Business review

The Target Company has only one reportable operating segment, which is real estate development as the project is under construction at present. The Target Company had no revenue for the period commencing from the date of its incorporation ended 31 December 2023 (the "**Reviewing Period**").

The Target Company's loss before tax for the Reviewing Period was S$1,626, which is mainly attributable to general and administrative expenses.

Prospects

The Target Company has successfully tendered for the Property after having considered the potential uses for the Property and has identified the establishment of a food factory as a strategic and lucrative venture.

The Target Company expects to:

(a) work closely with local authorities to obtain all necessary permits and approvals;

(b) collaborate with experienced architects and consultants to design a food factory that maximizes efficiency;

(c) develop a comprehensive marketing and branding strategy, engage real estate expert to assess the market for strata sales and develop a targeted sales strategy;

(d) implement financial management practices to monitor project costs; and

(e) develop a detailed project timeline with milestones to track progress for a timely completion, regularly review and adjust the project schedule as needed.

Capital commitments

The Target Company had the capital commitments for property development expenditure amounted to S$77,121,000 at the end of the Reviewing Period.

Liquidity, financial resources and capital structure

As at 31 December 2023, the Target Company's indebtedness mainly included the amounts due to shareholders amounted S$8,141,376.

Exposure to foreign exchange rate risks

The Target Company transacts mainly in Singapore dollars, which is the functional currency of the Target Company.

Employees and remuneration policies

During the Reviewing Period, no salaries, allowances and benefits were paid or payable to the directors or employees of the Target Company.

Charge of assets

As at 31 December 2023, The Target Company had no charge of assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Target Company had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reviewing Period.

Significant investments held

The Target Company had no any other significant investment during the Reviewing Period.

Future plans for material investments or capital assets

As at 31 December 2023, the Target Company did not have any future plans for material investment or capital assets.

The following is the management discussion and analysis of the Company for each of the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023.

FOR THE YEAR ENDED 31 DECEMBER 2020

Business review

The Group's revenue for FY2020 was approximately S$124.3 million, representing a growth of 1.4% as compared with that of approximately S$122.6 million for the previous year. The increase was mainly attributable to the growth in both building and construction works and rental income from property investment segments. Revenue from building and construction works, the Group's major business segment, accounted for approximately 98.5% (2019: approximately 99.4%) or S$122.4 million (2019: approximately S$121.8 million) of the Group's total revenue. Revenue from property investment contributed approximately 1.2% (2019: approximately 0.6%) or S$1.5 million (2019: approximately S$0.8 million). Revenue from operation of temporary dormitories contributed approximately 0.3% (2019: Nil) or 0.4 million (2019: Nil).

Total gross profit for FY2020 decreased by approximately S$0.5 million to approximately S$3.8 million (2019: approximately S$4.3 million), and the gross profit margin decreased to approximately 3.1% (2019: approximately 3.5%). Gross profit from building and construction works for FY2020 was approximately S$3.3 million, representing a decrease of approximately 25.7% as compared to approximately S$4.4 million for the previous year. The decrease was primarily attributable to labour cost incurred after the outbreak of COVID-19. Although construction activities were suspended, the Group's workers were still being paid minimum wages during the circuit breaker period.

Other income increased by approximately S$3.4 million or 1,494.8% from approximately S$0.2 million to approximately S$3.6 million for FY2020 due to the increase in the government grants received from Singapore Government to assist businesses in tiding through this period of economic uncertainty.

The Group has recorded an increase in other gains and losses from a loss of approximately S$0.1 million in the year ended 31 December 2019 to a gain of approximately S$0.1 million in FY2020, which is mainly attributable to foreign exchange gain.

For FY2020, administrative expenses increased by approximately S$0.3 million or 8.2%, from approximately S$3.2 million for the year ended 31 December 2019 to approximately S$3.5 million.

For FY2020, the Group's finance costs decreased to approximately S$0.5 million (2019: approximately S$0.6 million) mainly as a result of the decrease in average interest rates.

The Group's income tax expenses remained relatively stable at approximately S$0.5 million for

FY2020.

As a result of the aforementioned, for FY2020, profit after taxation, representing profit attributable to owners of the Company increased from approximately S$0.05 million to approximately S$2.8 million.

Prospects

Since the end of the third quarter of 2020, Singapore's economy had started to improve progressively with the phased resumption of activities. Given the improved growth outlook for key external economies, as well as a further easing of global and domestic public health measures with the availability of vaccines, the Singapore construction market was projected to return to growth in 2021, especially with public sector demand.

Despite the difficulties lying ahead, the Group believed that with its healthy project order books, the Group would be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives.

The Company expected to:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) pursue higher value contracts;

(c) enhance and expand the Group's workforce to keep up with the Group's business expansion; and

(d) improve productivity with investments in BIM and ERP software (as defined in the prospectus of the Company dated 29 August 2017).

Contingent liabilities

As at 31 December 2020, the Group had provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S$37.9 million (2019: approximately S$36.3 million).

Capital commitments

As at 31 December 2020, the Group had no commitment in respect of an acquisition of property, plant and equipment.

Liquidity, financial resources and capital structure

The Group's receivable turnover days as at 31 December 2020 was 16 days (2019: 19 days). The Group was able to maintain its receivable turnover days as a significant portion of revenue was generated from customers in public sectors, who make payments promptly.

The Group's cash and cash equivalents balance as at 31 December 2020 amounted to approximately S$34.5 million, representing an increase of approximately S$7.3 million as compared to approximately S$27.2 million as at 31 December 2019.

As at 31 December 2020, the Group's indebtedness comprised bank borrowings of approximately S$24.4 million (2019: approximately S$20.7 million) and hire purchases of approximately S$0.1 million (2019: Nil). As at 31 December 2020, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the Company) of the Group was 0.54 times as compared to 0.49 times as at 31 December 2019.

Exposure to foreign exchange rate risks

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group has certain bank balances denominated in United States dollars and Hong Kong dollars amounting to approximately S$9.1 million (2019: approximately S$14.6 million) which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

Employees and remuneration policies

The Group had 322 employees as at 31 December 2020 (2019: 349 employees). The total remuneration cost incurred by the Group for the year ended 31 December 2020 was approximately S$10.4 million (2019: approximately S$12.0 million). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The local employees are also entitled to discretionary bonus depending on their respective performance and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and are subject to renewal based on their performance, and are remunerated according to their work skills.

The Company has adopted a share option scheme (the "**Share Option Scheme**") pursuant to which the directors and employees of the Group are entitled to participate. Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during FY2020 and there was no outstanding option as at 31 December 2020.

Charge of assets

As at 31 December 2020, the carrying amount of investment properties, and leasehold land and property, amounting to approximately S$31.0 million (2019: S$32.6 million) were pledged to banks to secure bank borrowings.

In February 2021, bank borrowings amounting to approximately S$6.2 million was fully redeemed. Investment properties with carrying amount of approximately S$8.7 million as at 31 December 2020 were released from the charges.

Borrowings

As at 31 December 2020, the Group had bank borrowings of approximately S$24.5 million, all of which were denominated in SGD. Set out below is the maturity profile of the Group's borrowings as at 31 December 2020:

Maturity date	**As at 31 December 2020**
	S$'000
Within one year	1,596
More than one year but not exceeding two years	2,647
More than two years but not exceeding five years	15,774
More than five years	4,498
Total	**24,516**

All of the Group's bank loans were interest bearing during FY2020 with effective interest rates of 1.66% to 3.65% per annum. As at 31 December 2020, the Group did not have any other borrowings.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2020.

Significant investments held

As at 31 December 2020, the Group had investments in a Singapore dollar money market fund of approximately S$10 million as compared to nil as at 31 December 2019.

Future plans for material investments or capital assets

As at 31 December 2020, the Group did not have any future plans for material investment or capital assets.

FOR THE YEAR ENDED 31 DECEMBER 2021

Business review

The Group's revenue for FY2021 was approximately S$114.4 million, representing a decrease of approximately 8.0% as compared with that of approximately S$124.3 million for the previous year. The decrease was mainly attributable to the decrease in building and construction works. Revenue from building and construction works, the Group's major business segment, accounted for approximately 94.8% (2020: approximately 98.5%) or S$108.5 million (2020: approximately S$122.4 million) of the Group's total revenue. Revenue from property investment contributed approximately 1.5% (2020: approximately 1.2%) or S$1.7 million (2020: approximately S$1.5 million). Revenue from operation of temporary dormitories contributed approximately 3.7% (2020: approximately 0.3%) or S$4.3 million (2020: S$0.4 million).

Total gross profit remained relatively stable at approximately S$3.8 million for FY2021, and the gross profit margin increased to approximately 3.3% (2020: approximately 3.1%). Gross profit from building and construction works for FY2021 was approximately S$2.4 million, representing a decrease of approximately 25.0% as compared to approximately S$3.3 million for the previous year. The decrease was primarily due to industrywide cost increases in materials, labour and subcontracting fees.

Other income decreased by approximately S$2.15 million or 59.2% from approximately S$3.6 million to approximately S$1.5 million for FY2021. Such decrease was mainly due to lesser government grants received from the Singapore Government to assist in defraying costs as a result of COVID-19, considering the gradual recovery of the economy.

Other gains and losses increased from approximately S$0.1 million in FY2020 to approximately S$0.2 million in FY2021, which is mainly attributable to foreign exchange gain.

The Group's administrative expenses remained relatively stable at approximately S$3.5 million for FY2021. For FY2021, the Group's finance costs decreased to approximately S$0.4 million (2020: approximately S$0.5 million) mainly due to the redemption of bank borrowings of S$6.2 million in February 2021.

The Group's income tax expense increased to approximately S$0.6 million for FY2021 from approximately S$0.5 million for FY2020. As a result of the aforementioned, for FY2021, profit after taxation, representing profit attributable to owners of the Company decreased from approximately S$2.8 million to approximately S$0.9 million.

Prospects

With increasing vaccination rate of the population, the global economy has been recovering gradually as compared to last year. The Singapore Government has eased public-imposed measures from 15 March 2022 onwards, and has also been easing its border restrictions which will help in alleviating the labour shortage and delay of materials supply within the industry. The Board expects a steady improvement in construction demand in Singapore over the medium term and the public sector is expected to lead the demand.

The Group believes that with its healthy project order books, the Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives.

The Company expects to:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) pursue higher value contracts; and

(c) enhance and expand the Group's workforce to keep up with the Group's business expansion.

Contingent liabilities

As at 31 December 2021, the Group had provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S$55.2 million (2020: approximately S$35.3 million).

Capital commitments

As at 31 December 2021, the Group had no commitment in respect of an acquisition of property, plant and equipment.

Liquidity, financial resources and capital structure

The Group's receivable turnover days as at 31 December 2021 was 12 days (2020: 16 days). The Group is able to maintain its receivable turnover days as a significant portion of revenue was generated from customers in public sectors, who make payments promptly.

The Group's cash and cash equivalents balance as at 31 December 2021 amounted to approximately S$37.1 million, representing an increase of approximately S$2.6 million as compared to approximately S$34.5 million as at 31 December 2020.

As at 31 December 2021, the Group's indebtedness comprised bank borrowings of approximately S$16.9 million (2020: approximately S$24.4 million), hire purchase financing of approximately S$0.2 million (2020: approximately S$0.1 million), and lease liabilities of approximately S$0.2 million (2020: approximately S$0.4 million). As at 31 December 2021, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the Company) of the Group was 0.37 times as compared to 0.55 times as at 31 December 2020.

Exposure to foreign exchange rate risks

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group has certain bank balances denominated in United States dollars and Hong Kong dollars amounting to approximately S$9.2 million (2020: approximately S$9.1 million) which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rates.

Employees and remuneration policies

The Group had 369 employees as at 31 December 2021 (as at 31 December 2020: 322 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The local employees are also entitled to discretionary bonus depending on their respective performance and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and are subject to renewal based on their performance, and are remunerated according to their work skills.

The Company has adopted the Share Option Scheme, no option was exercised or cancelled or has lapsed during FY2021 and there was no outstanding option as at 31 December 2021.

Charge of assets

As at 31 December 2021, the carrying amount of leasehold land, leasehold property, and investment properties, amounting to approximately S$20.9 million (2020: approximately S$31.0 million) were pledged to banks to secure bank borrowings.

Borrowings

As at 31 December 2021, the Group had bank borrowings of approximately S$17.1 million, all of which were denominated in SGD. Set out below is the maturity profile of the Group's borrowings as at 31 December 2021:

Maturity date	**As at 31 December 2021** **S$'000**
Within one year	2,318
More than one year but not exceeding two years	2,342
More than two years but not exceeding five years	12,425
More than five years	-
Total	**17,084**

All of the Group's bank loans were interest bearing during FY2021 with effective interest rates of 1.30% to 3.60% per annum. As at 31 December 2021, the Group did not have any other borrowings.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2021.

Significant investments held

The table below sets out the significant investment held by the Group during FY2021:

Manager	Product type	Principal business	Investment cost as at		Fair value as at		Realised gain from disposal during the year ended 31 December 2021	Size relative to the Company's total asset as at	
			30 June 2021	31 December 2021	30 June 2021	31 December 2021		30 June 2021	31 December 2021
UOB Asset Management Ltd	Singapore dollar money market fund	Asset management	S$10,000,000	S$0	S$10,011,996	S$0	S$11,703	9.6%	0%

On 10 November 2021, the Company completed the disposal of the 9,752,577.13 units of Class B SGD of the United SGD Money Market Fund (the "**Fund**") held by the Company (the "**Disposal**"), for a consideration of S$10,016,872, representing a realised gain of S$11,703 (2020: unrealised gain of S$5,169). Details of the Disposal are set out in the announcement and circular of the Company dated 9 September 2021 and 14 September 2021, respectively. Having considered 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 and in the interests of the Group to dispose of the Fund and to reallocate its resources for other appropriate investment opportunities or future development. In the future, the Group will continue to explore and identify potential investment opportunities, as at the date of this report, no such investment opportunity has been identified. Save as disclosed above, the Group did not have any other significant investment during FY2021.

Future plans for material investments or capital assets

As at 31 December 2021, the Group did not have any future plans for material investment or capital assets.

<u>FOR THE YEAR ENDED 31 DECEMBER 2022</u>

Business review

The Group's revenue for FY2022 was approximately S$205.3 million, representing an increase of approximately 79.5% as compared with that of approximately S$114.4 million for the previous year. The increase was mainly due to more construction activities performed during the year as compared to the previous year. Revenue from building and construction works, the Group's major business segment, accounted for approximately 99.1% (2021: approximately 94.8%) or S$203.4 million (2021: approximately S$108.5 million) of the Group's total revenue. Revenue from property investment contributed approximately 0.9% (2021: approximately 1.5%) or S$1.9 million (2021: approximately S$1.7 million). In the previous year, revenue from operation of temporary dormitories contributed approximately 3.7% or S$4.3 million. The Group has completed the contract for operation of temporary dormitories during FY2021.

Total gross loss for the year amounted to approximately S$5.8 million (2021: total gross profit of approximately S$3.8 million). The loss was mainly attributable to (i) significant increases in material and labour costs as a result of Covid-19 pandemic, which has led to lower or negative profit margins in 2022 as compared to 2021; and (ii) a S$1.8 million provision for onerous contracts was made for the affected ongoing projects in consideration of the above-mentioned factors.

Other income decreased by approximately S$0.9 million or 56.5% from approximately S$1.5 million to approximately S$0.6 million for FY2022. Such decrease was mainly due to less government grants received from Singapore Government to assist to defray operating costs as the economy gradually recovers.

Other gains and losses decreased from approximately S$0.16 million in FY2021 to approximately S$0.03 million in FY2022, which is mainly attributable to foreign exchange loss.

For FY2022, administrative expenses decreased by approximately S$0.4 million or 10.5%, from approximately S$3.5 million for FY2021 to approximately S$3.1 million.

For FY2022, the Group's finance costs remained relatively stable at approximately S$0.4 million for FY2022.

The Group's income tax expense decreased to approximately S$0.1 million for FY2022 from approximately S$0.6 million for FY2021.

As a result of the aforementioned, for FY2022, loss attributable to owners of the Company amounted to approximately S$8.8 million for FY2022 (2021: profit attributable to owners of the Company of approximately S$0.9 million).

Notwithstanding the above, the Board is of the view that the financial position of the Group remains sound as sufficient reserve and liquidity are maintained.

Prospects

With the increasing vaccination rate of the population, the global economy has been recovering gradually compared to last year. The Singapore Government has eased public-imposed measures from 15 March 2022 onwards. It has also been easing its border restrictions which will help alleviate the labour shortage and delay of materials supply within the industry. The Board expects a steady improvement in construction demand in Singapore over the medium term. The public sector is expected to lead the market.

The Group believes that with its healthy project order books, the Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives.

The Company expected to:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) pursue higher value contracts; and

(c) enhance and expand the Group's workforce to keep up with the Group's business expansion.

Contingent liabilities

As at 31 December 2022, the Group had provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S$46.6 million (2021: approximately S$55.2 million).

Capital commitments

As at 31 December 2022, the Group had no commitment in respect of an acquisition of property, plant and equipment.

Liquidity, financial resources and capital structure

The Group's receivable turnover days as at 31 December 2022 was 9 days (2021: 12 days). The Group is able to maintain its receivable turnover days as a significant portion of revenue was generated from customers in public sectors, who make payments promptly.

The Group's cash and cash equivalents balance as at 31 December 2022 amounted to approximately S$29.9 million, representing a decrease of approximately S$7.2 million as compared to approximately S$37.1 million as at 31 December 2021.

As at 31 December 2022, the Group's indebtedness comprised bank borrowings of approximately S$14.7 million (2021: approximately S$16.9 million), hire purchase financing of approximately S$0.2 million (2021: approximately S$0.2 million), and lease liabilities of approximately S$0.3 million (2021: approximately S$0.2 million). As at 31 December 2022, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the Company) of the Group was 0.40 times as compared to 0.37 times as at 31 December 2021.

Exposure to foreign exchange rate risks

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group has certain bank balances denominated in United States dollars and Hong Kong dollars amounting to approximately S$9.0 million (2021: approximately S$9.2 million) which expose the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rates.

Employees and remuneration policies

The Group had 362 employees as at 31 December 2022 (as at 31 December 2021: 369 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The local employees are also entitled to discretionary bonus depending on their respective performance and the profitability of the Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and are subject to renewal based on their performance, and are remunerated according to their work skills.

The Company has adopted the Share Option Scheme, no option was exercised or cancelled or has lapsed during the year ended 31 December 2021 and there was no outstanding option as at 31 December 2021.

Charge of assets

As at 31 December 2022, the carrying amount of leasehold land, leasehold property, and investment properties, amounting to approximately S$19.6 million (2021: approximately S$20.9 million) were pledged to banks to secure bank borrowings.

Borrowings

As at 31 December 2022, the Group had bank borrowings of approximately S$14.8 million, all of which were denominated in SGD. Set out below is the maturity profile of the Group's borrowings as at 31 December 2022:

Maturity date	**As at 31 December 2022** **S$'000**
Within one year	2,402
More than one year but not exceeding two years	11,374
More than two years but not exceeding five years	1,074
More than five years	-

Total	**14,850**

All of the Group's bank loans were interest bearing during FY2022 with effective interest rates of 1.30% to 5.51% per annum. As at 31 December 2022, the Group did not have any other borrowings.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2022.

Significant investments held

The Group did not have any other significant investment during FY2022.

Future plans for material investments or capital assets

As at 31 December 2022, the Group did not have any future plans for material investment or capital assets.

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Business review

The Group's revenue for 6M2023 was approximately S$143.3 million, representing a growth of approximately 52.4% as compared to that of approximately S$94.0 million for the six months ended 30 June 2022 (the "**Corresponding Period**"). The increase was mainly due to more construction activities performed during 6M2023 comparing with the Corresponding Period. Revenue from building and construction works accounted for approximately 99.2% (Corresponding Period: approximately 99.0%) or approximately S$142.2 million (Corresponding Period: approximately S$93.1 million) of the Group's total revenue. Revenue from property investment contributed approximately 0.8% (Corresponding Period: approximately 1.0%) or approximately S$1.1 million (Corresponding Period: approximately S$0.9 million).

Profit attributable to owners of the Company for 6M2023 amounted to approximately S$3.9 million (Corresponding Period: loss attributable to owners of the Company of approximately S$11.4 million).

The Board is of the view that the financial position of the Group remains sound as sufficient reserve and liquidity are maintained.

Prospects

Looking ahead, the global growth on economic activity will decelerate in 2023 due to various uncertain factors such as rising interest rates, high inflation and the impact of the geopolitical conflicts. Singapore's economic growth is expected to slow in 2023, however, the construction industry is expected to strengthen , due to largely planned public housing projects. The Ministry of Trade and Industry Singapore revealed that the 2023 GDP growth forecast for Singapore has been narrowed to "0.5 to 1.5 per cent", from "0.5 to 2.5 per cent". Growth in the construction sector came in at 6.8 per cent year-on-year, similar to the 6.9 per cent recorded in the preceding quarter. Both public and private sector construction output rose during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 2.7 per cent, improving from the 0.3 per cent growth in the first quarter.

With the gradual recovery of the construction industry, the Group's revenue rose to approximately $143.3 million during 6M2023, an increase of 52.4% from the Corresponding Period.

The Group believes that with its healthy project order books, the Group will be able to continue building on its competitive strengths and devise plans to achieve its long-term business objectives.

The Company expected to:

(a) expand the Group's business and strengthen the Group's market position in the construction industry in Singapore;

(b) pursue higher value contracts; and

(c) enhance and expand the Group's workforce to keep up with the Group's business expansion.

Contingent liabilities

As at 30 June 2023, the Group has provided performance bonds and security bonds for foreign workers in favour of the customers amounting to approximately S$45.9 million.

Capital commitments

As at 30 June 2023, the Group had no commitment in respect of acquisition of property, plant and equipment.

Liquidity, financial resources and capital structure

The Group's cash and cash equivalents balances as at 30 June 2023 amounted to approximately S$33.3 million, representing a increase of approximately S$3.4 million as compared to approximately S$29.9 million as at 31 December 2022.

As at 30 June 2023, the Group's indebtedness comprised bank borrowings of approximately S$13.5 million (2022: approximately S$14.7 million), hire purchase financing of approximately S$0.1 million (2022: approximately S$0.2 million), and lease liabilities of approximately S$0.2 million (2022: approximately S$0.3 million). As at 30 June 2023, the gearing ratio (calculated by dividing total debts by equity attributable to owners of the company) of the Group was 0.33 times as compared to 0.40 times as at 31 December 2022.

The Group's equity balance increased to approximately S$41.3 million as at 30 June 2023 from that of approximately S$37.4 million as at 31 December 2022.

Exposure to foreign exchange rate risks

The Group has certain bank balances denominated in HK$ and US$ other than the functional currency of respective group entities as at 30 June 2023, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

Employees and remuneration policies

The Group had 384 employees as at 30 June 2023 (Corresponding Period: 356 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted the Share Option Scheme, no option was exercised or cancelled or has lapsed during 6M2023.

Charge of assets

As at 30 June 2023, the carrying amount of leasehold land, leasehold property, and investment properties, amounting to approximately S$18.9 million were pledged to banks to secure bank borrowings.

Borrowings

As at 30 June 2023, the Group had bank borrowings of approximately S$13.7 million, all of which were denominated in SGD. Set out below is the maturity profile of the Group's borrowings as at 30 June 2023:

Maturity date	**As at 30 June 2023**
	S$'000
Within one year	11,922
More than one year but not exceeding two years	1,296
More than two years but not exceeding five years	431

More than five years	-
Total	**13,650**

All of the Group's bank loans were interest bearing during 6M2023 with effective interest rates of 1.30% to 5.51% per annum. As at 30 June 2023, the Group did not have any other borrowings.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during 6M2023.

Significant investments held

The Group did not have any other significant investment during 6M2023.

Future plans for material investments or capital assets

As at 30 June 2023, the Group did not have any future plans for material investment or capital assets.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as adopted by the Company, were as follows:

(i) Interests in the Company

Name of Director	Nature of interest	Number of Shares held/ interested (1)	Approximate percentage of shareholding (%)
Mr. Yang Xinping ("**Mr. Yang**")	Interest in controlled corporation(2)	409,050,000(L)	51.13125
Ms. Han Yuying ("**Ms. Han**")	Interest in controlled corporation(3)	136,350,000(L)	17.04375

Notes:

(1) *The letter "L" denotes the person's long position in the Shares.*

(2) *These Shares were held by Huada Developments Limited ("**Huada Developments**"). The issued share capital of Huada Developments is owned as to 80% by Mr. Yang and as to 20% by his spouse, Ms. Chao Jie ("**Ms. Chao**"). Therefore, Mr. Yang is deemed to be interested in the Shares beneficially owned by Huada Developments under the SFO.*

(3) *These Shares were held by Eagle Soar Global Limited ("**Eagle Soar**"). The entire issued share capital of Eagle Soar is owned by Ms. Han. Therefore, Ms. Han is deemed to be interested in*

the Shares beneficially owned by Eagle Soar under the SFO.

(ii) Interests in the ordinary shares of associated corporation

Name of Director	**Name of associated corporation**	**Nature of interest**	**Number of Shares held/ interested** (ntoe)	**Approximate percentage of shareholding (%)**
Mr. Yang	Huada Developments	Beneficial owner	80(L)	80

Note: The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations, or any of their spouses or children under the age of 18 recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

Substantial Shareholders' and others' interests and short positions in Shares and underlying Shares

So far as the Directors are aware, as at the Latest Practicable Date, the persons (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	**Nature of interest**	**Number of Shares held/ interested** (1)	**Approximate percentage of shareholding (%)**
Huada Developments	Beneficial owner(2)	409,050,000(L)	51.13125
Ms. Chao Jie	Interest of spouse(2)	409,050,000(L)	51.13125
Eagle Soar	Beneficial owner(3)	136,350,000(L)	17.04375
Mr. Liu Hai ("**Mr. Liu**")	Interest of spouse(3)	136,350,000(L)	17.04375
Wai Tian Holdings Limited ("**Wai Tian**")	Beneficial owner(4)	54,600,000(L)	6.825
Mr. Zhan Lixiong ("**Mr. Zhan**")	Interest in controlled corporation(4)	54,600,000(L)	6.825
Ms. Zheng Dan ("**Ms. Zheng**")	Interest of spouse	54,600,000	6.825

Notes:

(1) *The letter "L" denotes the person's long position in the Shares.*

(2) *The issued share capital of Huada Developments is owned as to 80% by Mr. Yang and as to 20% by his spouse, Ms. Chao. Therefore, Mr. Yang is deemed to be interested in the Shares beneficially owned by Huada Developments under the SFO, and Ms. Chao is deemed to be interested in the Shares in which Mr. Yang is interested in under the SFO.*

(3) *The entire issued share capital of Eagle Soar is owned by Ms. Han and Mr. Liu is the spouse of Ms. Han. Therefore, Ms. Han is deemed to be interested in the Shares beneficially owned by Eagle Soar under the SFO and Mr. Liu is deemed to be interested in the Shares in which Ms. Han is interested under the SFO.*

(4) *The entire issued share capital of Wai Tian is owned by Mr. Zhan and Ms. Zheng is the spouse of Mr. Zhan. Therefore, Mr. Zhan is deemed to be interested in the Shares beneficially owned by Wai Tian under the SFO and Ms. Zheng is deemed to be interested in the Shares in which Mr. Zhan is interested under the SFO.*

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company, other than the Directors and chief executive of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

None of the Directors or their respective associate(s) are considered to have interests in business which compete or are likely to compete, either directly or indirectly, with the business of the Group which require disclosure under the Listing Rules. In any event, such Directors will be subject to the usual requirement to abstain from voting on resolutions of the Board approving any proposal in which any Director or his associate has a material interest, such that the decision making of the Board should not be affected by such material interest.

5. INTERESTS IN CONTRACTS, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Enlarged Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Enlarged Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Enlarged Group since 31 December 2022, the date to which the latest published audited financial statements of the Group were made up.

6. MATERIAL CLAIMS AND LITIGATION

As at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

7. MATERIAL CONTRACTS

Save for the Sale and Purchase Agreement, there is no contract, not being contract in the ordinary course of business of the Enlarged Group, were entered into by the Enlarged Group within two (2) years immediately preceding the date of this circular which are or may be material.

8. EXPERTS AND CONSENTS

The following is the qualification of the experts who has given opinion or advice which is contained in this circular:

Name	Qualifications
D & Partners CPA Limited	Certified Public Accountants, Hong Kong
Roma Appraisals Limited	Independent professional valuer

As at the Latest Practicable Date, each of D & Partners CPA Limited and Roma Appraisals Limited (i) had no shareholding in any member of the Group and did not have any right, whether legal enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2022 (the date to which the latest published audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report given as of the date of this Circular and the reference to its name included herein in the form and context in which it appears.

9. GENERAL

(a) The company secretary of the Company is Ms. Chan So Fun, a practicing solicitor in Hong Kong.

(b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, the headquarters and principal place of business in Singapore is at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499, and the principal place of business in Hong Kong is at Unit 1205, 12th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Central, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

(d) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bhcc.com.sg) from the date of this circular up to and including the date of EGM, being a period of not less than 14 days:

(a) the Sale and Purchase Agreement;

(b) the letter from the Board, the text of which is set out on pages 5 to 18 of this circular;

(c) the accountants' report on the Target Company issued by D & Partners CPA Limited, the text of which is set out in Appendix II to this circular;

(d) the assurance report on the compilation of unaudited pro forma financial information of the Enlarged Group issued by D & Partners CPA Limited, the text of which is set out in Appendix III to this circular;

(e) the Valuation Report, the text of which is set out in Appendix IV to this circular;

(f) the letters of consent from the experts named in the section headed "Experts and consents" in this appendix; and

(g) the annual reports of the Company for FY2020, FY2021 and FY2022 and the interim report of the Company for 6M2023; and

(h) this circular.

Waiver from strict compliance with Rule 14.66(1) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules to redact certain information in the Sale and Purchase Agreement on display concerning (i) the personal address of the Vendor; and (ii) the personal identification document number of both the Vendor and the Vendor's signing witness (collectively, the "**Confidential Information**"), on the following basis:-

(i) the Confidential Information is private and confidential in nature and constitutes personal data of the Vendor and the Vendor's witness, both of whom have not given their respective consent to the Company for the disclosure of the Confidential Information, and the Company may be in violation of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) for disclosing the Confidential Information without consent; and

(ii) the Confidential Information is irrelevant to the subject matter of the Transactions, and the unredacted parts of the Sale and Purchase Agreement, together with the content of the Circular and other documents on display, will sufficiently enable Shareholders to make a properly informed assessment of the Transactions and to make an informed voting decision.

BHCC Holding Limited

(*incorporated in the Cayman Islands with limited liability*)

(Stock code: 1552**)**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of BHCC Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") will be held at No. 1 Tampines North Drive 3, #08-01, BHCC SPACE, Singapore 528499 on Monday, 18 March 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution to be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**

(a) the sale and purchase agreement dated 4 January 2024 (the "**Sale and Purchase Agreement**") (a copy of which is marked "A" and produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) entered into between BHCC Development Limited (the "**Purchaser**") , a wholly-owned subsidiary of the Company, and Mr. Teo Wai Leong (the "**Vendor**"), in relation to (i) the acquisition of 450 ordinary shares in the issued share capital of Evermega Investment Holdings Pte. Ltd. (the "**Target Company**") and the outstanding loans and other debts owed to the Vendor by the Target Company in the amount of S$5,490,169.20 for the aggregate consideration of S$5,490,619.20; and (ii) the capital contribution in the aggregate amount of up to S$17,010,000 to be provided by the Purchaser to the Target Company by way of subscription of further share capital of the Target Company and/or provision of shareholder's loan(s), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one or more of the directors of the Company (the "**Director(s)**") be and is/are hereby authorised to sign and execute such documents, including under seal where applicable, and to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Sale and Purchase Agreement and the transactions contemplated thereunder."

By Order of the Board
BHCC Holding Limited
Mr. Yang Xinping
Chairman and Executive Director

Singapore, 28 February 2024

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or, if he is the holder of two or more shares, more than one person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

3. Completion and return of the form of proxy will not preclude a member from attending and voting at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.

4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, no later than 10:00 a.m. (Hong Kong time) on Saturday, 16 March 2024.

5. The register of members of the Company will be closed from Wednesday, 13 March 2024 to Monday, 18 March 2024 (both days inclusive), during which period no transfer of shares will be registered. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 12 March 2024.