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BHCC Holding Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1552)

MAJOR TRANSACTION IN RELATION TO POSSIBLE DISPOSAL OF PROPERTIES

THE GRANT OF OPTIONS AND POSSIBLE DISPOSALS

The Company is pleased to announce that on 20 May 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into Option Letter A and Option Letter B granting Option A and Option B to the Purchaser, pursuant to which the Vendor has conditionally offered to sell to the Purchaser Property A at Consideration A of S\$2,232,400 (equivalent to approximately HK\$12,947,920) and Property B at Consideration B of S\$2,617,600 (equivalent to approximately HK\$15,182,080) respectively, and the offers remains open until 3 June 2024. The Company will issue further announcement if the Purchaser exercises the Options within the prescribed time.

LISTING RULES IMPLICATIONS

Rule 14.73 of the Listing Rules states that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the percentage ratios (as defined under the Listing Rules). Rule 14.74 of the Listing Rules states that where an option involving a listed issuer, the exercise of which is not at the listed issuer's discretion, the transaction will be classified as if the option had been exercised, and upon the exercise of such option, such exercise shall be disclosed by way of an additional announcement.

Further, pursuant to Rule 14.22, the transactions contemplated under the Options shall be aggregated as the Options were granted at the same time, hence within a 12-month period, to the Purchaser and the exercise of each of the Option is inter-conditional with the other. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Options, i.e. the Possible Disposals, on an aggregated basis exceeds 25% but is under 75%, the grant of Options and the transactions contemplated thereunder will constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, each of the grant of Options and the Possible Disposals is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the grant of Options and the transactions contemplated thereunder. Should the grant of Options be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholder would be required to abstain from voting for the resolution to approve the grant of Options. The Company has obtained a written approval for the grant of Options and the

transactions contemplated thereunder, i.e. the Possible Disposals, from Huada Developments, the controlling shareholder of the Company holding 409,050,000, representing approximately 51.13125% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the purpose of approving the grant of Options and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the grant of Options and the transactions contemplated thereunder, (ii) financial information of the Group; (iii) details of the Valuation Report; and (iv) any other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 June 2024.

Shareholders and potential investors should note that the Possible Disposals are subject to the exercise of the Options by the Purchaser and the conditions set out in the Option Letters and therefore the Possible Disposals may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

THE GRANT OF OPTIONS

The Company is pleased to announce that on 20 May 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into Option Letter A and Option Letter B granting Option A and Option B to the Purchaser, pursuant to which the Vendor has conditionally offered to sell to the Purchaser Property A at Consideration A of S\$2,232,400 (equivalent to approximately HK\$12,947,920) and Property B at Consideration B of S\$2,617,600 (equivalent to approximately HK\$15,182,080) respectively.

The Option Letters

Save for the subject matter, option money and consideration, the material terms of each of the Option Letters are identical. Set out below are the principal terms of the Option Letters:

- Parties**
- (i) the Vendor (as vendor); and
 - (ii) the Purchaser (as purchaser)

Date of grant of Options by Vendor 20 May 2024

Subject matter – Option Letter A

Property A, and Property A is sold on an “as-is” basis with vacant possession.

Subject matter – Option Letter B

Property B, and Property B is sold on an “as-is” basis subject to an existing tenancy agreement

dated 9 December 2021.

Condition of exercise of Options

The exercise of each Option is conditional upon the Purchaser contemporaneously exercising the other Option. The Purchaser cannot exercise either Options without exercising the other.

Option Money – Option Letter A

Option money in the sum of S\$22,324.00 (equivalent to approximately HK\$129,479.20) (the “**Option Money A**”), representing 1% of Consideration A, has been paid by the Purchaser to the Vendor, such Option Money shall form part of Consideration A if Option A is exercised by the Purchaser within the prescribed time. If the Purchaser elects not to exercise Option A, Option Money A will be forfeited to the Vendor.

Option Money – Option Letter B

Option money in the sum of S\$26,176.00 (equivalent to approximately HK\$151,820.80) (the “**Option Money B**”), representing 1% of Consideration B, has been paid by the Purchaser to the Vendor, such Option Money shall form part of Consideration B if Option B is exercised by the Purchaser within the prescribed time. If the Purchaser elects not to exercise Option B, Option Money B will be forfeited to the Vendor.

Options expiry date

The Options are exercisable by the Purchaser until 3 June 2024. As at the date of this announcement, the Purchaser has not exercised the Options.

POSSIBLE DISPOSALS

The Options when validly exercised by the Purchaser shall constitute a binding contract of sale and purchase between the parties thereto. Set out below are the principal terms of the Possible Disposals:

Consideration – Property A

Consideration A, being the sum of S\$2,232,400 (equivalent to approximately HK\$12,947,920), shall be satisfied by the Purchaser in the following manners:

- (i) as to S\$22,324.00 (equivalent to approximately HK\$129,479.20), being Option Money A paid by the Purchaser, shall be used to satisfy part payment towards Consideration A upon Completion;
- (ii) as to S\$89,296.00 (equivalent to approximately HK\$517,916.80), is payable by the Purchaser upon exercise of Option A, representing 5% of Consideration A less Option Money A, being the deposit (together with Option Money A, the “**Deposit A**”) and part payment towards Consideration A upon Completion;
- (iii) as to the remaining balance of S\$2,120,780 (equivalent to approximately HK\$12,300,524.00), is payable by the Purchaser on Completion.

Consideration – Property B

Consideration B, being the sum of S\$2,617,600 (equivalent to approximately HK\$15,182,080), shall be satisfied by the Purchaser in the following manners:

- (i) as to S\$26,176.00 (equivalent to approximately HK\$151,820.80), being Option Money B paid by the Purchaser, shall be used to satisfy part payment towards Consideration B upon Completion;
- (ii) as to S\$104,704.00 (equivalent to approximately HK\$607,283.20), is payable by the Purchaser upon exercise of Option B, representing 5% of Consideration B less Option Money B, being the deposit (together with Option Money B, the “**Deposit B**”, and collectively with Deposit A, the “**Deposits**”) and part payment towards Consideration B upon Completion;
- (iii) as to the remaining balance of S\$2,486,720.00 (equivalent to approximately HK\$14,422,976.00), is payable by the Purchaser on Completion.

Purchaser’s requisition

The Properties are sold subject to the Purchaser’s solicitors receiving satisfactory replies to their legal requisitions to the various government departments (including road line plan and drainage interpretation plan).

If any of the legal requisition reply is unsatisfactory, the Purchaser shall have the option to rescind the Option Letters by written notice to the Vendor, and thereafter, the Vendor shall refund the Deposits and all other monies paid by the Purchaser to the Vendor but without any interest compensation or deductions whatsoever, and thereafter neither party shall have any claim or demand against the other party for damages, costs, compensation or otherwise whatsoever.

Completion

Completion shall take place on or before 12 August 2024.

Basis for determination of the Considerations

The Consideration was arrived after arm’s length negotiation between the Vendor and the Purchaser with reference to, among other things, (i) the market values of comparable properties in the vicinity; and (ii) the prevailing market conditions.

Information of the Properties

Property A

Property A is located at 11 Irving Place #08-04, Tai Seng Point, Singapore 369551 with gross floor area of approximately 258 square meters. As at the date of this announcement, Property A is in vacant possession, it was previously held by the Vendor as investment properties which was leased out as offices or warehouses.

Property B

Property B is located at 11 Irving Place #08-05, Tai Seng Point, Singapore 369551 with gross floor area of approximately 284 square meters. As at the date of this announcement, Property B has been held by the Vendor as investment properties which was leased out as offices or warehouses.

Set out below are the net rental income generated from the Properties before and after taxation (taking into account all related disbursements but excluding depreciation expenses) for the years ended 31 December 2022 and 2023 respectively:

Property A

	For the year ended 31 December	
	2022	2023
	<i>S\$</i>	<i>S\$</i>
Net rental income (before taxation)	31,569	30,050
Net rental income (after taxation)	29,056	27,570

Property B

	For the year ended 31 December	
	2022	2023
	<i>S\$</i>	<i>S\$</i>
Net rental income (before taxation)	37,134	35,352
Net rental income (after taxation)	34,187	32,444

FINANCIAL EFFECTS OF THE POSSIBLE DISPOSALS AND THE USE OF PROCEEDS

The net proceeds arising from the Possible Disposals are approximately S\$4,733,000 (after deducting expenses in relation to the Possible Disposals) and will be utilized as general working capital of the Group.

The audited carrying value of the Properties as at 31 December 2023 was approximately S\$3,065,153. The Group is expected to record a gain on the Possible Disposals of approximately S\$1,784,847, which is calculated based on the Consideration to be received by the Group for the Possible Disposals less the audited carrying value of the Properties as at 31 December 2023 before any related expenses.

INFORMATION OF THE PARTIES TO THE OPTION LETTERS

The Vendor

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

The Purchaser

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Purchaser is a company incorporated in Singapore with limited liability and is principally engaged in the sale of spectacles and other optical goods, it is ultimately owned as to approximately 58.0% by Chok Tet Hin and approximately 31.2% by Chok Tet Sheong, and each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE GRANT OF OPTIONS AND POSSIBLE DISPOSALS

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.

The Properties were not in use by the Group's business operations and has been held as investment properties and leased out as offices or warehouses to generate rental income. In view of the present property market conditions, the Company is of the view that the Possible Disposals represent a favourable opportunity for the Company to realize the value of the Properties at a reasonable price.

In view of the aforesaid and taking into account the terms of the Option Letters were arrived at after arm's length negotiations and are in line with commercial real estate transactions norms and practices in Singapore, the Directors consider that the terms of the Options, including the Consideration payable for the Properties are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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Further, pursuant to Rule 14.22, the transactions contemplated under the Options shall be aggregated as the Options were granted at the same time, hence within a 12-month period, to the Purchaser and the exercise of each of the Option is inter-conditional with the other. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Options, i.e. the Possible Disposals, on an aggregated basis exceeds 25% but is under 75%, the grant of Options and the transactions contemplated thereunder will constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, each of the grant of Options and the Possible Disposals is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the grant of Options and the transactions contemplated thereunder. Should the grant of Options be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholder

would be required to abstain from voting for the resolution to approve the grant of Options. The Company has obtained a written approval for the grant of Options and the transactions contemplated thereunder, i.e. the Possible Disposals, from Huada Developments, the controlling shareholder of the Company holding 409,050,000, representing approximately 51.13125% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the purpose of approving the grant of Options and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the grant of Options and the transactions contemplated thereunder, (ii) financial information of the Group; (iii) details of the Valuation Report; and (iv) any other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 11 June 2024.

Shareholders and potential investors should note that the Possible Disposals are subject to the exercise of the Options by the Purchaser and the conditions set out in the Option Letters and therefore the Possible Disposals may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms and expression in this announcement have the following meanings:

“Board”	the board of Directors of the Company
“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 Possible Disposals
“connected persons”	has the meaning ascribed to it in the Listing Rules and “connected” shall be construed accordingly
“Considerations”	collectively, Consideration A and Consideration B
“Consideration A”	the sum of S\$2,232,400 (equivalent to approximately HK\$12,947,920), being the consideration payable by the Purchaser to the Vendor for Property A
“Consideration B”	the sum of S\$2,617,600 (equivalent to approximately HK\$15,182,080), being the consideration payable by the Purchaser to the Vendor for Property B
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“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
“Huada Developments”	Huada Developments Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 80% by Mr. Yang, and 20% by Ms. Chao Jie, the spouse of Mr. Yang. As at the date of this announcement, Huada Developments is the controlling Shareholder of the Company holding 409,050,000 Shares, representing approximately 51.13125% of the entire issued share capital of the Company
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yang”	Mr. Yang Xiping, an executive Director and chairman of the Company
“Options”	collectively, Option A and Option B, and each an “Option”
“Option A”	the option to purchase Property A at Consideration A pursuant to the terms and conditions of Option Letter A
“Option B”	the option to purchase Property B at Consideration B pursuant to the terms and conditions of Option Letter B
“Option Letters”	collectively, Option Letter A and Option Letter B
“Option Letter A”	the option letter dated 20 May 2024 entered into by the Vendor in relation to the grant of Option A to the Purchaser
“Option Letter B”	the option letter dated 20 May 2024 entered into by the Vendor in relation to the grant of Option B to the Purchaser
“Possible Disposals”	the possible disposals of the Properties by the Vendor to the Purchaser pursuant and subject to the terms and conditions of the Option Letters
“Properties”	collectively, Property A and Property B
“Property A”	the unit located at 11 Irving Place #08-04, Tai Seng Point, Singapore 369551
“Property B”	the unit located at 11 Irving Place #08-05, Tai Seng Point, Singapore 369551
“Purchaser”	the potential purchaser of the Properties and the grantee of the Options,

	namely Chai Ming Optical Pte Ltd, a company incorporated in Singapore and an Independent Third Party
“S\$”	Singapore dollar, the lawful currency of Singapore
“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)
“Singapore”	The Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Report”	the valuation report on the Properties to be prepared by a firm of independent professional valuers appointed by the Company
“Vendor”	Wan Yoong Construction Pte Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

In this announcement, unless the context requires otherwise, amounts denominated in S\$ have been translated to HK\$ at the exchange rate of S\$1.00:HK\$5.80 for illustration purpose only. Such conversions shall not be construed as representations that amounts in S\$ were or may have been converted into HK\$ at such rate or any other exchange rates.

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

Singapore, 20 May 2024

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