

BHCC Holding Limited

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

Executive Directors:

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1 August 2025

To the Shareholders

Dear Sir or Madam

MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE

INTRODUCTION

Reference is made to the announcement of the Company dated 26 June 2025 in relation to, among others, the entering into of the Security Documents and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Security Documents and the transactions contemplated thereunder; (ii) financial information of the Group; and (iii) any other information required under the Listing Rules.

BACKGROUND

On 24 January 2025, BHCC Projects, an indirect wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partners, in relation to, among others, the formation of the SPC to take up the lease and development of the Land and the BHCC Capital Commitment in the maximum amount of S\$20 million (equivalent to approximately HK\$115 million). The SPC is beneficially owned as to 10% by BHCC Projects.

As disclosed in the Formation of JV Circular, the total development costs of the Land will be partly funded by external bank financings in the aggregate amount of up to 80% of the Land acquisition cost, other land related costs and construction costs. On 26 June 2025, the SPC, as borrower, entered into the Facility Agreement with among others, the Lenders, as lenders, whereby the Lenders have agreed to make available to the SPC the Facility in the aggregate principal amount of S\$521,812,000.

Set out below are the principal terms of the Facility Agreement:

Date of Facility Agreement	26 June 2025
Parties	<ul style="list-style-type: none"> (i) the SPC, as borrower; (ii) Lender A, as one of the Lenders and one of the green loan coordinators; and (iii) Lender B, as one of the Lenders, one of the green loan coordinators, facility agent and security agent for the Lenders
Facility	<p>The Facility in the aggregate principal amount of up to S\$521,812,000 comprises of the following:</p> <ul style="list-style-type: none"> (i) Facility A in the principal amount of up to S\$403,612,000; (ii) Facility B in the principal amount of up to S\$22,400,000; (iii) Facility C in the principal amount of up to S\$44,800,000; and (iv) Facility D in the principal amount of up to S\$51,000,000
Purposes	<p>The Facility shall be applied for the following purposes:</p> <ul style="list-style-type: none"> (i) Facility A towards financing and/or reimbursing the SPC's payment of the Land Purchase Price, the amount of which shall be up to the lower of (A) 80% of the SPC's payment of the Land Purchase Price; and (B) 80% of the current market land value of the Property (exclusive of land betterment charge) of S\$504,515,000 as

determined by the initial valuation report delivered by the SPC to the Lenders;

- (ii) Facility B towards financing and/or reimbursing up to 80% of the SPC's payment of land betterment charge;
- (iii) Facility C towards financing and/or reimbursing up to 80% of the SPC's payment of stamp duties; and
- (iv) Facility D towards financing the SPC's payment of construction costs and development costs

Interest rate

The SPC may select the interest period and the following interest rates for each loan under the Facility Agreement:

- (i) fixed interest rate to be agreed between the Lenders and the SPC for an interest period not extending beyond the final maturity date of the Facility as stated below. Where the parties do not agree on the fixed interest rate, the interest rate for that loan shall be at the applicable compounded reference rate and the interest period shall be one month; or
- (ii) floating interest rate computed based on the aggregate of the margin rate of 0.75% per annum and the applicable compounded reference rate, and the interest period shall be of one or three months at the election of the SPC (or any other period as all the Lenders may agree)

The interest period and interest rate of each loan under the Facility Agreement shall be renewed and determined by the SPC and the Lenders upon expiry of each interest period and in accordance with the aforesaid mechanism until the final maturity date of the Facility as stated below.

The applicable compounded reference rate is calculated by applying the compounding methodology as specified in the Facility Agreement on a publicly available rate constituting primarily the daily Singapore Overnight Rate Average (SORA)

Final maturity date

The earlier of:

- (i) the date which is six months after the date on

which the temporary occupation permit is issued by the Building Authority of the Singapore for the whole of the Project; and

(ii) 31 August 2029,

or such later date as the Lenders may agree

Repayment of Facility

The SPC shall repay each loan under the Facility Agreement on the final maturity date as stated above

PROVISION OF FINANCIAL ASSISTANCE

At the request of the Lenders and the SPC, and as conditions precedent to the utilisation of the Facility under the Facility Agreement, on 26 June 2025, the Group entered into the Security Documents, among others, (i) the Company entered into the Guarantors' Undertaking, pursuant to which, among others, the Company has agreed to provide a guarantee proportionate to BHCC Project's shareholding in the SPC, amounting to 10% of the total liabilities of the SPC under the Finance Documents; and (ii) BHCC Projects entered into the Share Charge, pursuant to which BHCC Projects has agreed to charge BHCC Projects' 10% shareholding interests in the SPC in favour of the security agent as security for the repayment obligations of the SPC under the Finance Documents.

The Guarantors' Undertaking

On 26 June 2025, the SPC as borrower, the Guarantors as guarantors, and Lender B as security agent for the Lenders, entered into the Guarantors' Undertaking. Set out below are the principal terms of the Guarantors' Undertaking:

Date of Guarantors' Undertaking 26 June 2025

Parties

- (i) the SPC, as borrower;
- (ii) the Guarantors, as guarantors; and
- (iii) Lender B, as security agent for the Lenders

Guarantee

Each Guarantor unconditionally and irrevocably guarantees to the Lenders punctual performance by the SPC of all the SPC's payment obligations under, among others, the Finance Documents, provided that each Guarantor's liability shall only be up to the percentage amount required to be paid by that guarantor as specified in the Guarantors' Undertaking, i.e. the Company's liability shall only be up to 10% of the SPC's payment obligations. Such payment obligations of the SPC shall include (i) the principal of the Facility, 10% of which amounted up to S\$52,181,200; (ii) interest payable; (iii) any sums due from the SPC to the Lenders under any hedging arrangements or transactions

between the SPC and the Lenders in connection with the hedging of actual or potential interest rate in relation to the Facility; and (iv) any fees payable by the SPC to the Lenders in respect of the Facility, including where applicable, commitment fee, prepayment fee payable and cancellation fee payable:-

- (a) the commitment fee is to be computed and accruing on a daily basis at the rate of 0.5% per annum on the Lenders' available commitment under Facility D for the period from and including the date falling 24 month after the date of the Facility Agreement to and including the date falling one month before the final maturity date as stated above;
- (b) the prepayment fee is to be incurred when the SPC voluntarily prepays the whole or any part of the Facility to the Lenders and such prepayment fee shall amount to 0.5% of the amount of that prepayment; and
- (c) the cancellation fee is to be incurred when (i) any Facility is undrawn and automatically cancelled; or (ii) the SPC voluntarily cancels any of the undrawn Facility, and such cancellation fee shall amount to 0.5% of the amount of that cancellation

Subordination

Each Guarantor and the SPC undertakes to the Lenders that all present and future indebtedness due, owing or incurred by the SPC to any Guarantor, including the outstanding shareholder's loan advanced by BHCC Projects to the SPC, are subordinated to any debt of the SPC under the Finance Documents prior to the date on which such debt has been paid and discharged in full

Duration of the Guarantors' Undertaking

The Guarantors' Undertaking is a continuing security and will extend until all payment obligations of all obligor under the Finance Documents are fully satisfied

The Company considers the Group's exposure under the Guarantors' Undertaking to be reasonable, after having considered (i) the computation method of the interest rate of the Facility, i.e. using SORA as an interest rate benchmark, is in line with debt financing transactions in the Singapore property development segment, and that the SORA has maintained at a relatively stable level since the entering into of the Facility Agreement up to the Latest Practicable Date; (ii) as at the Latest Practicable Date, the SPC has no plan to enter into any hedging arrangements or transactions in connection with the hedging of actual or

potential interest rate in relation to the Facility and hence, the Company considers there is no exposure in relation to hedging arrangements or transactions as at the Latest Practicable Date; (iii) as at the Latest Practicable Date, there is no event triggering the payment of any commitment fee, prepayment fee and cancellation fee under the Facility Agreement and hence, the Company considers there is no exposure in relation to fees payable by the SPC as at the Latest Practicable Date. In the event that such fees are incurred, the fees are computed at a reasonable flat rate, and the Company's pro-rated guarantee amount is considered unsubstantial; and (iv) the SPC will be able to finance the repayment of all payment obligations under the Finance Documents solely by the proceeds from the sale of the units in the Project without the need to enforce the security provided under the Security Documents.

The Share Charge

On 26 June 2025, the Chargors as chargors, and Lender B as security agent for the Lenders, entered into the Share Charge. Pursuant to the Share Charge, each Chargor, as legal and/or beneficial owner and as continuing security for the due and punctual payment and discharge of all sums due from or owing by the SPC to the Lenders in favour of the security agent (as security agent and trustee for the Lenders) by way of first fixed charge and assigns to the security agent (as security agent and trustee for the Lenders) all of its present and future SPC Shares and dividends received or receivable from such SPC Shares, representing 100% of the entire issued share capital of the SPC as at the date of the Share Charge. Accordingly, BHCC Projects shall charge all SPC Shares legally and beneficially owned by it to the security agent, representing 10% of the entire issued share capital of the SPC as at the date of the Share Charge. The charged SPC Shares shall be released, reassigned or discharged from the Share Charge where the security agent is satisfied that all sums due from or owing by the SPC to the Lenders has been irrevocably paid in full and that all facilities which might give rise to such payment obligations have terminated.

The Group will not receive any fees or commission from the SPC in respect of the entering into of the Security Documents and the provision of financial assistance contemplated thereunder.

Basis of determination of the terms of the Security Documents

The terms of the Security Documents were determined after arm's length negotiations among the Lenders, the SPC, the Guarantors and the Chargors with reference to (i) terms of external bank financings of similar nature, including the provision of guarantee by shareholders of project company and/or their ultimate beneficial owners and the charging of shares of the project company; and (ii) the pro-rata shareholding interest of the shareholders of the SPC.

Financial effects of the provision of financial assistance

Effect on assets and liabilities

The provision of financial assistance under the Security Documents will not have any material impact on the assets and liabilities of the Group. The Company's liability under the Guarantors' Undertaking is contingent upon the SPC's performance, similarly, the creation of the share charge over BHCC Project's 10% shareholding in the SPC does not result in an immediate transfer of assets and only constitutes as security for the SPC's obligations under the Finance Documents, it is also contingent in nature. In the event of a default by the SPC

under the Facility, the Group may be required to fulfil its obligations under the Guarantors' Undertaking, which could result in the recognition of a financial liability in the Group's consolidated financial statements. Additionally, if the share charge over BHCC Projects' 10% interest in the SPC is enforced, the Group may lose its investment in the SPC, leading to a potential impairment or write-off of the carrying amount of the investment in the SPC. These events would negatively impact the Group's assets and increase its liabilities. As at the Latest Practicable Date, no default of the SPC has occurred, therefore no such liability is recognized.

Effect on earnings

The provision of financial assistance under the Security Documents will not have any immediate impact on the Group's earnings or profit and loss for the current financial period. However, should the SPC defaults under the Facility and the guarantee be called upon, the Company will be required to meet its proportional obligations under the guarantee (i.e. up to 10% of the total outstanding liabilities), which would result in an expense and potential financial loss, thereby adversely affecting the Group's earnings. Similarly, the share charge does not have direct effect on the earnings, any enforcement of the share charge may affect the Group's equity interests in the SPC and potential future income from dividends or capital gains from the SPC, thereby affecting the Group's earnings. The Group will continuously assess the performance of the SPC, any potential impairment of its investment in the SPC or expected credit losses will be recognised in accordance with applicable accounting standards, if and when necessary.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE

The Group is principally engaged in (i) the provision of building and construction works as a main contractor and as subcontractor in reinforcement concrete works undertaken on a selected basis; (ii) properties investment including the leasing of industrial properties in Singapore; and (iii) property development.

As disclosed in the Formation of JV Circular, BHCC Projects has entered into the JV Agreement with the JV Partners, in relation to, among others, the formation of the SPC to take up the lease and development of the Land and the SPC is legally and beneficially owned as to 10% by BHCC Projects. As further disclosed in the Formation of JV Circular, the estimated total costs of the Project is approximately S\$904 million which will be partly funded by (i) the Initial Capital Contribution in the aggregate maximum amount of S\$200 million; (ii) sale proceeds generated from the pre-sale of the uncompleted units of the Project; and (iii) external bank financings in the aggregate amount of up to 80% of the Land acquisition cost, other land related costs and construction costs. As illustrated above, the SPC has substantial needs for capital as the Initial Capital Contribution accounts for only approximately 22% of the estimated total development costs and pre-sale of the uncompleted units of the Project has yet to take place. Hence, the obtaining of the Facility on the terms proposed by the Lenders, including the provision of guarantee and security by the shareholders of the SPC and their ultimate beneficial owners, is essential for the Project, particularly for the settlement of early Project costs and expenditures, including but not limited to the Land Purchase Price and other land related costs. Based on the preliminary development plans of the SPC and the tentative timetable of the Project, the development of the Land is currently under the design and planning stage and the SPC is in the process of obtaining the necessary approvals from the relevant government authorities. The Project is

expected to complete by the third or fourth quarter of 2028, with temporary occupation permit of the development also expected to be obtained in or around the target construction completion time. Pre-sale of the uncompleted units of the Project is tentatively scheduled to launch in the first quarter of 2026.

Having considered (i) the Security Documents are the requisite documents for securing the Facility for the SPC and the conditions precedent to the utilization of the Facility; (ii) the structure of the Facility, including the provision of guarantee and other security by the shareholders of the SPC and their ultimate beneficial owners, is in line with other financing transactions for property developments in Singapore; and (iii) the future prospects of the Project, particularly the Company considers that the Land is situated in an established premium private residential area in Singapore with high-end residential and commercial complex consisting a variety of recreational and community amenities in the immediate vicinity, the Land is also located in close proximity to the nature park, international school and transportation infrastructures, it is expected that the Project will generate keen interests from potential buyers after further taking into account the lack of supply in the region in the near future, and the SPC will be able to finance the repayment of the Facility solely by the proceeds from the sale of the units in the Project without the need to enforce the security provided under the Security Documents, the Directors (including the independent non-executive Directors) therefore consider that the terms of the Security Documents and provision of financial assistance by the Group thereunder are fair and reasonable and in the interests of the Company and Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE SECURITY DOCUMENTS

The Guarantors and the Chargors

Set out below is the information of the Guarantors and the Chargors:

Name and information of the shareholder of the SPC and Chargor	Shareholding in the SPC	Initial Capital Contribution	Number of charged SPC Shares	Name and information of Guarantor	Percentage of guarantee of the total payment obligations of the SPC under the Guarantors' Undertaking
Santarli – a company incorporated in Singapore and is principally engaged in investment holding and real estate development. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Santarli is owned as to 12.5% by Heeton Homes Pte. Ltd., a wholly-owned subsidiary of Heeton Holdings, and as to 87.5% by Santarli Realty Pte. Ltd., the latter of	40%	S\$80,000,000	1,600,000	Santarli Holdings – a company incorporated in Singapore and is principally engaged in bank/financial holding and building construction. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Santarli Holdings is owned as to as to approximately 33.3% by Lee Boon Teow, as to approximately 33.3% by Sim How Tiong and as to approximately 33.3% by	40%

which is in turn owned as to 33.4% by Lee Boon Teow, as to 33.3% by Sim How Tiong and as to 33.3% by Chan Thiam Seng, and each of Santarli and its ultimate beneficial owners is an Independent Third Party				<p>Chan Thiam Seng, and each of Santarli Holdings and its ultimate beneficial owner is an Independent Third Party</p> <p>Heeton Holdings – a company incorporated in Singapore the issued shares of which are listed on the Singapore Stock Exchange (SGX stock code: 5DP), and is principally engaged in investment holding and real estate development. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of Heeton Holdings and its ultimate beneficial owners is an Independent Third Party</p>	
AA Investment – a company incorporated in Singapore and is principally engaged in real estate development. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, AA Investment is indirectly owned as to 58% by AA Development, which in turn is ultimately owned as to 70% by Mr. Li and as to 30% by Ms. Tan. As AA Development is the indirect holder of 10% of the issued share capital of Tai Seng Food Point Development Pte. Ltd. (formerly known as Evermega Investment Holdings Pte. Ltd.), an indirect non-wholly owned subsidiary of the Company, each of AA Investment, Mr. Li and Ms. Tan is therefore also a connected person of the Company at subsidiary level	25%	S\$50,000,000	1,000,000	<p>Mr. Li</p> <p>Ms. Tan</p>	25%
SLH – a company incorporated in Singapore and is principally engaged in water and gas pipeline and sewer construction and installation of industrial machinery and equipment, and mechanical engineering works. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, SLH is owned as to 25% by Ong Gim Leong, as to 25% by Ong Gim	15%	S\$30,000,000	600,000	SLH	15%

loo, as to 25% by Ong Gim Giap and as to 25% by Ong Yew Lye, and each of SLH and its ultimate beneficial owners is an Independent Third Party					
Kay Lim – a company incorporated in Singapore and is principally engaged in real estate development and investment holding. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Kay Lim is owned as to 90% by Kay Lim Holdings, which in turn is owned as to 50% by Tan Gek Eng and 50% by Tng Kay Lim, and each of Kay Lim and its ultimate beneficial owners is an Independent Third Party	10%	S\$20,000,000	400,000	Kay Lim Holdings – a company incorporated in Singapore, it is principally engaged in investment holding and building construction and is the holding company of Kay Lim. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Kay Lim Holdings is owned as to 50% by Tan Gek Eng and 50% by Tng Kay Lim, and each of Kay Lim Holdings and its ultimate beneficial owners is an Independent Third Party	10%
BHCC Projects – a company incorporated in Singapore and is principally engaged in real estate development, it is an indirect wholly-owned subsidiary of the Company	10%	S\$20,000,000	400,000	The Company – 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, and is principally engaged in investment holding	10%

The Lenders

Lender A

Lender A is a company incorporated in Singapore, the issued shares of which are listed on the Singapore Stock Exchange (SGX stock code: O39), and is principally engaged in banking business. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of Lender A and its ultimate beneficial owners is an Independent Third Party.

Lender B

Lender B is a company incorporated in Singapore, the issued shares of which are listed on the Singapore Stock Exchange (SGX stock code: U11), and is principally engaged in banking business. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of Lender B and its ultimate beneficial owners is an Independent Third Party.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.15(2) of the Listing Rules, where a transaction involves establishing a joint venture entity, for the purpose of calculation of the consideration ratio (as defined under the Listing Rules), the Stock Exchange will aggregate the issuer's total capital commitment and any guarantee or indemnity provided in connection with the establishment of the joint

venture. As previously disclosed in the Formation of JV Circular, the establishment of the SPC was for the sole purpose of undertaking the Project and that it was expected the Project would be partly funded by external bank financings in the aggregate amount of up to 80% of the Land acquisition cost, other land related costs and construction costs, i.e. the Facility, which in turn was secured by, among others, the guarantee provided under the Guarantors' Undertaking. Thus, the BHCC Capital Commitment contemplated under the JV Agreement shall be aggregated with the provision of the guarantee under the Guarantors' Undertaking for the purpose of calculation of the consideration ratio.

Although the consideration ratio, also being the highest applicable percentage ratios (as defined under the Listing Rules), in respect of the provision of financial assistance under the Security Documents, whether on a standalone basis or when aggregated with the BHCC Capital Commitment contemplated under the JV Agreement, exceeds 100%, it does not fall under the acquisition of assets and hence, the entering into of the Security Documents and the transactions contemplated thereunder will constitute a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the entering into of the Security Documents and the transactions contemplated thereunder are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, AA Investment is indirectly owned as to 100% by AA Development, which in turn is the indirect holder of 10% of the issued share capital of Tai Seng Food Point Development Pte. Ltd. (formerly known as Evermega Investment Holdings Pte. Ltd.), an indirect non-wholly-owned subsidiary of the Company, and AA Development is ultimately owned as to 70% by Mr. Li and 30% by Ms. Tan. Each of AA Investment, Mr. Li and Ms. Tan is therefore a connected person of the Company at subsidiary level. Save as disclosed above, each of AA Investment, Mr. Li and Ms. Tan is not otherwise connected with the Group, and each of AA Investment, Mr. Li and Ms. Tan is not a connected person at issuer level. As each of AA Investment, Mr. Li and Ms. Tan is one of the parties to the Security Documents, the entering into of the Security Documents constitutes a connected transaction at the subsidiary level of the Company under Chapter 14A of the Listing Rules. The Board has approved the entering into of the Security Documents and the transactions contemplated thereunder, and the independent non-executive Directors have confirmed that the terms of the Security Documents and the transactions contemplated thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the entering into of the Security Documents is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement (in respect of the connected transaction at subsidiary level) under Chapter 14A 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 Security Documents and the transactions contemplated thereunder. Should the Security Documents and the transactions contemplated thereunder 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 Security Documents and the transactions contemplated thereunder. The Company has obtained a written approval for the Security Documents and the transactions contemplated thereunder from Huada Developments, the controlling Shareholder of the Company holding 409,050,000 Shares, representing approximately 51.13125% of the entire issued share capital of the Company as at the Latest

Practicable Date 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 Security Documents and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

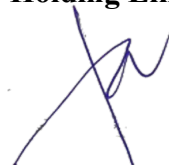
RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Security Documents and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Notwithstanding that no general meeting of the Company will be convened to approve the Security Documents and the transactions contemplated thereunder, the Board would recommend that Shareholders vote in favour of the relevant ordinary resolution regarding the Security Documents and the transactions contemplated thereunder if the Company were to convene a general meeting for the approval of the same.

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