BBR HOLDINGS (S) LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199304349M)

(I) THE PROPOSED ACQUISITION OF 49% OF THE SHARES IN JSCL INVESTMENTS PTE. LTD.

(II) PROPOSED DIVERSIFICATION OF BUSINESS

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1. INTRODUCTION

1.1. The board of directors (the "**Board**") of BBR Holdings (S) Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Alika Kaki Bukit Holdings Pte. Ltd. ("**Purchaser**"), a wholly-owned subsidiary of the Company, had on 29 March 2024 entered into:

(a) a sale and purchase agreement ("**Sale and Purchase Agreement**") with Tuckman Limited (the "**Vendor**") for the acquisition of 8,937,647 issued and paid-up ordinary shares ("**Sale Shares**") in the share capital of JSCL Investments Pte. Ltd. (the "**Target**"), representing 49% of the issued and paid-up share capital of the Target, upon the terms and subject to the conditions of the Sale and Purchase Agreement (the "**Proposed Acquisition**");

(b) in connection with the Proposed Acquisition, a shareholders' agreement (the "**Shareholders' Agreement**" and together with the Proposed Acquisition, the "**Proposed Transaction**") with the Vendor to govern their respective rights and obligations, and regulate their relationship *inter se* as shareholders of the Target in the conduct of the business and related affairs of the Target, which is subject to and will come into effect on completion of the Proposed Acquisition ("**Completion**"); and

(c) in connection with the Proposed Transaction, a management services agreement with the Target ("**Management Services Agreement**"), pursuant to which and subject to Completion taking place, the Target will appoint the Purchaser to supervise, manage and liaise with the third party operator ("**Dormitory Operator**") on behalf of the Target for the provision of asset management and property management services ("**Property Management Services**") by the Dormitory Operator to the Target in respect of the Property (as defined below) including the Dormitory, pursuant to an existing agreement between the Dormitory Operator and the Target (the "**Property Management Agreement**").

1.2. In connection with the Proposed Transaction, the Board also wishes to announce that subject to the approval of the shareholders of the Company (the "**Shareholders**"), the Company intends to diversify its business and expand its existing core business to include the business ("**Accommodation Business**") of owning, developing, constructing, managing and operating dormitories, purpose-build workers' accommodation, student accommodation and other similar accommodation assets (the "**Accommodation Assets**") as and when the appropriate opportunity arises (the "**Proposed Diversification**").

1.3. The Company intends to convene an extraordinary general meeting ("**EGM**") to seek approval of the Shareholders for the Proposed Transaction and the Proposed Diversification.

2. INFORMATION RELATING TO THE TARGET, THE SALE SHARES AND THE VENDOR

2.1. The Target

The Target is a private company limited by shares incorporated in Singapore on 18 February 2011. As at the date of this announcement, the Target has an issued and paid-up share capital of S$19,000,100 comprising 18,240,096 ordinary shares, and the Vendor holds 100% of the shareholding interest in the Target.

The Target owns Homestay Lodge, a dormitory (the "**Dormitory**") located at 21 to 29 and 31 to 39 Kaki Bukit Avenue 3 Singapore 415916 to 415925 (the "**Property**") under the terms of two (2) leases issued by JTC Corporation, each for a term of 30 years commencing from 1 July 1999 ("**JTC Lease**"). The Dormitory has a gross floor area of 328,415 square feet and comprises six 8-storey blocks and one 7-storey block of workforce housing, with ancillary facilities such as a canteen, a gymnasium, multi-purpose courts and a single-story block that houses the supermarket and communal cooking facilities. The operations, management, marketing and maintenance of the Dormitory are undertaken by the Dormitory Operator.

2.2. The Sale Shares

Based on the Target's unaudited financial statements for the financial year ended 31 December 2023 ("**FY2023**"), the net book value and net tangible asset value of the Sale Shares were approximately S$44,586,812 and S$44,586,812, respectively, and the net profits before tax attributable to the Sale Shares for FY2023 were approximately S$3,284,923. After adjusting for *inter alia* (i) the amount of cash held by the Target that is in excess of the Target Net Cash (as defined below) which may be distributed by the Target to the Vendor prior to Completion; and (ii) the discharge of the loan amount owing by the Vendor to the Target (by way of a distribution of the receivables under such loan to be declared by the Target in favour of the Vendor), the adjusted net book value and adjusted net tangible asset value of the Sale Shares were approximately S$23,313,023 and S$23,313,023, respectively.

The open market value of the Sale Shares is not available as the shares of the Target are not publicly traded. The Company has commissioned Savills Valuation and Professional Services (S) Pte Ltd ("**Savills**") to conduct an independent valuation on the Property and based on the report issued by Savills ("**Valuation Report**"), the market value of the unexpired leasehold interest in the Property on an as-is basis subject to existing tenancies and free from all other encumbrances is S$63,500,000 as at 31 January 2024.

2.3. The Vendor

The Vendor is a company incorporated in the British Virgin Islands. Its principal business is property and investment holding. As at the date of this announcement, Seow Chin Heng, Adrian, a former Independent Non-Executive Director (having ceased to be an Independent Non-Executive Director on 16 October 2023) is a director of the Target, and an employee within the Vendor's corporate group. Save as disclosed above, to the best of the knowledge of the Directors, none of the Vendor and/or any of its directors and/or shareholders has any connections (including business relationships) with the Company, the Group, the Directors and/or the substantial shareholders of the Company.

3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

3.1. Sale and Purchase Agreement

Certain salient terms of the Sale and Purchase Agreement are as follows:

(a) Acquisition of the Sale Shares

The Proposed Acquisition involves the acquisition of the Sale Shares, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at Completion.

Completion is expected to take place on 5 June 2024 or such other date as the Purchaser and the Vendor may agree in writing ("**Completion Date**").

(b) Purchase Consideration

Pursuant to the Sale and Purchase Agreement, the consideration for the purchase of the Sale Shares is S$14,335,620 ("**Base Purchase Consideration**"), which is subject to post-Completion adjustments in accordance with the terms of the Sale and Purchase Agreement ("**Purchase Consideration**"). The Purchase Consideration will be payable in cash by the Purchaser in the following manner:

(i) the amount of S$143,356.20, being 1% of the Base Purchase Consideration (the "**Earnest Money**"), within 14 days from the date of the Sale and Purchase Agreement; and

(ii) the amount equivalent to the estimated Purchase Consideration calculated in accordance with the terms of the Sale and Purchase Agreement, less the Earnest Money, on Completion.

Certain post-Completion adjustments apply to the Base Purchase Consideration and are set out in the Sale and Purchase Agreement, including *inter alia*, where in the event the net cash (as specified in the Sale and Purchase Agreement) of the Target as at the Completion Date ("**Completion Net Cash**") is less than S$4,500,000 ("**Target Net Cash**"), the Base Purchase Consideration will be adjusted downwards by the shortfall in the Completion Net Cash. For the avoidance of doubt, there will not be any adjustment to the Base Purchase Consideration in the event the Completion Net Cash is greater than the Target Net Cash.

(c) Conditions Precedent

Under the terms and conditions of the Sale and Purchase Agreement, the Proposed Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent:

(i) the approval of the Shareholders being obtained for (i) the Proposed Acquisition and the extension of the Loan (as defined below) by the Purchaser to the Vendor in accordance with the terms of the Shareholders' Agreement; and (ii) the Proposed Diversification, and such approval remaining in full force and effect and not having been revoked or varied on or before Completion;

(ii) the consent of Malayan Banking Berhad ("**Bank**") as required under the bank facilities agreement between the Bank and the Target (the "**Bank Facilities Agreement**") for (A) the sale of the Sale Shares to the Purchaser being obtained (upon terms and conditions reasonably satisfactory to the Purchaser); and (B) the right to declare any dividends and distributions provided that the Completion Net Cash is not less than the Target Net Cash (upon terms and conditions reasonably satisfactory to the Vendor), such consent remaining in full force and effect and not being revoked or varied on or before Completion;

(iii) the purchase and transfer of the Sale Shares upon the terms and conditions of the Sale and Purchase Agreement not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or authority of Singapore and any other relevant jurisdictions; and

(iv) there not having been any material adverse change occurring on or before Completion.

If any of the conditions is not satisfied on or before the date falling 5 June 2024 or such later date as the Vendor and the Purchaser may mutually agree in writing, the Sale and Purchase Agreement will lapse and cease to have further effect, and (A) in the case of non-fulfilment of conditions referred to in paragraphs (ii), (iii) and (iv) above, the Purchaser will be entitled absolutely to the Earnest Money and the Vendor will release and refund the Earnest Money (together with all interest accrued thereon (if any)) to the Purchaser within five business days of the termination of the Sale and Purchase Agreement; or (B) in the case of non-fulfilment of condition referred to in paragraph (i) above, the Vendor will be entitled absolutely to the Earnest Money.

3.2. **Shareholders' Agreement**

Certain salient terms of the Shareholders' Agreement (which is subject to and will come into effect on Completion) are as follows:

(a) <u>Business of the Target</u>

The business of the Target will comprise solely the operations of the Dormitory and the ownership of the Property and any ancillary matters associated with such operations and ownership, and such other business as may be mutually agreed amongst the shareholders of the Target.

The Target will, upon request by the Purchaser, allocate by no later than 31 December 2024 up to 250 beds in the Dormitory for usage by the Purchaser or its related corporations at no cost and in compliance with the terms of the JTC Lease for the remaining duration of the JTC Lease, or such other period as may be agreed between the Purchaser and the Target.

(b) <u>Composition of the board of directors of the Target ("**Target Board**")</u>

The Target Board will comprise up to four directors, of which the Purchaser will have the right to nominate two directors ("**Purchaser Directors**") and the Vendor will have the right to nominate two directors for so long as each of the Purchaser and the Vendor remains a shareholder of the Target.

(c) <u>Reserved matters</u>

Where questions arise or resolutions are proposed at any general meeting of the Target or any meeting of the Target Board, or by way of resolutions in writing, in respect of certain reserved matters set out in the Shareholders' Agreement, the affirmative vote of the Purchaser or the affirmative vote of at least one of the Purchaser Directors at meetings of the Target Board, or to the resolution in writing, will be required to decide on such questions or pass any such resolutions (as the case may be). The reserved matters include, *inter alia*:

(i) any change in the share capital of the Target, including but not limited to the issue of equity securities (or securities or other instruments convertible into equity securities) in the Target;

(ii) creation, issuance or grant of any option by the Target on shares, debentures or other securities of the Target, and the creation of any warrants, obligations or securities or other instruments in any form by the Target to subscribe for or which are convertible into shares of the Target;

(iii) change of nature or scope of the business or the principal activities of the Target or commencement of any new business undertaking, transaction or activity, not being ancillary or incidental to the existing business of the Target or its principal activities or a permanent cessation in carrying on the existing business of the Target or its principal activities;

(iv) any acquisition or disposal by the Target of any interest in any other company, partnership or business or consolidation or merger with or acquisition of any company, association, partnership, business or legal entity;

(v) sale, transfer or disposal of the whole or a substantial part of the Target's undertaking, assets or property (including the Property) or purchase, sale, transfer, disposal, lease or licence of any real property or any interest therein;

(vi) any amendment or modification to the Management Services Agreement and/or the Property Management Agreement, and the exercise of any rights or discretion or the making of any determination by the Target under Management Services Agreement and/or the Property Management Agreement and the waiver by the Target of any of its rights thereunder;

(vii) any amendment or modification to the JTC Lease, and the exercise of any rights or discretion or the making of any determination by the Target under the JTC Lease (including the exercise of any rights of termination) and the waiver by the Target of any of its rights thereunder;

(viii) the approval or variation of the Target's annual operating budget and business plan;

(ix) incurrence of any capital expenditure (including the acquisition of any undertaking or asset whether under lease or hire purchase or otherwise), except as provided for in the approved business plan;

(x) the appointment of, and any subsequent change in, the auditors of the Target;

(xi) any change to the composition of the Target Board; and

(xii) declaration of any dividend (whether interim or final) or making of any distribution of profits by way of dividend, capitalisation of reserves or in any form whatsoever to any of its shareholders, otherwise than in accordance with the Shareholders' Agreement.

(d) Maintenance of shareholding

The Purchaser and Vendor will maintain their respective shareholdings in the Target until the expiry of the JTC Lease and accordingly, the Vendor will not sell, transfer, assign or otherwise dispose of any of its shares in the Target or any legal or beneficial interest in its shares in the Target during the period commencing on the Completion Date and ending on the expiry of the JTC Lease, unless the prior written consent of the Purchaser is obtained.

(e) Loan

The Purchaser will, at the written request of the Vendor, grant a loan to the Vendor for the principal amount of S$10,000,000 ("**Loan Amount**"), no earlier than the date falling six months from the Completion Date and no later than the date falling 12 months from the Completion Date.

The interest payable on the Loan will be 15.0% per annum of the outstanding Loan Amount ("**Interest**") calculated on a yearly basis. Such Interest accrued thereon will be payable on an annual basis.

The tenure of the Loan will be for the period commencing on the date of disbursement of the Loan and ending on 30 June 2029, and the last repayment date of the outstanding Loan Amount and the Interest accrued thereon will be 30 June 2029 ("**Repayment Date**") (being the date of expiry of the JTC Lease), provided however that the Vendor and the Purchaser may mutually agree in writing to a prepayment of the outstanding Loan Amount and accrued Interest earlier than or on 31 December 2027.

(f) Repayment of Loan Amount and Interest

All dividends and distributions declared by the Target in favour of the Vendor, subject to, *inter alia*, the availability of profits and other terms of the Shareholders' Agreement, and which is payable to the Vendor ("**Vendor Distributions**") will be utilised to offset the outstanding Loan Amount and the accrued Interest due and owing from the Vendor to the Purchaser in connection with the Loan. The Vendor will assign all its rights, benefits and interests in the Vendor Distributions to the Purchaser for the repayment of the Loan.

In the event that the Vendor Distributions, taking into account any right of the Bank to require the Vendor to repay such Vendor Distributions to the Company in connection with the bank facilities under the Bank Facilities Agreement are insufficient to repay the Loan by the Repayment Date, such portion of the Loan Amount (and all interest accrued thereon) remaining unpaid will be deemed irrevocably waived and discharged automatically without any further action from the Purchaser and the Vendor.

(g) Call Option

The Vendor irrevocably grants to the Purchaser an option at any time during the period of 90 business days after 30 June 2029 (being the date of expiry of the JTC Lease) to require the Vendor to sell to the Purchaser all (and not part only) of the shares in the Target held by it at the relevant time for the consideration sum of S$1.00 payable by the Purchaser to the Vendor, on the terms and subject to the conditions of the Shareholders' Agreement.

3.3. **Management Services Agreement**

Certain salient terms of the Management Services Agreement are as follows:

(a) Property Management Services

The Purchaser, in supervising, managing and liaising with the Dormitory Operator in its provision of the Property Management Services, will use reasonable endeavours to procure the Dormitory Operator to, *inter alia*, (i) perform all the duties, functions and services, including the Property Management Services, to be performed by the Dormitory Operator under the Property Management Agreement; (ii) provide monthly performance reports and other reports reasonably required by the Target; and (iii) obtain and maintain all permissions, licences and permits from the relevant governmental authority necessary to enable the Dormitory Operator to operate and manage the Property (including the Dormitory) in accordance with the terms of the Property Management Agreement.

(b) Payment of Base Fee and Performance Fee

The Target will pay to the Purchaser a monthly base fee and a performance fee in each fiscal year (calculated based on the certain percentage of the net profit before tax of the Target) throughout the period commencing on the Completion Date and expiring at the date of termination of the Management Services Agreement ("**MSA Term**").

(c) Corporate Management Services

The Purchaser will during the MSA Term provide certain corporate management services to the Target, and will also be entitled at any time to nominate a related corporation to provide the corporate management services, including services relating to general management, finance and treasury, legal and secretariat, and tax services.

(d) Reinstatement at expiry of the JTC Lease term

Six months prior to the expiry of the JTC Lease, the Target will engage the Purchaser or its nominee to make good and reinstate the Property to the reinstatement and yielding up condition required by the terms and conditions of the JTC Lease in consideration of payment by the Target of such fee as specified in the Management Services Agreement.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The Board believes that the Proposed Transaction is in the interests of the Company for the following reasons:

(a) the Proposed Transaction presents an attractive opportunity for the Group to acquire a business with an established track record and venture into the business of owning, managing and operating workers' dormitories via an existing strategically-located dormitory with more than 5000 beds and an occupancy rate of 100% as at 28 February 2024;

(b) the Target is profitable and the Proposed Transaction would therefore provide the Group with the opportunity to acquire interests in a profitable entity with resilient accommodation assets and stable revenue generation;

(c) the Proposed Transaction provides an opportunity for the Group to explore new areas of business opportunities and expand its footprint into other sectors; and

(d) the Group is highly dependent on foreign workers to carry out construction activities at its projects and is therefore vulnerable to restrictions affecting the supply of foreign workers as well as the availability of dormitories in Singapore which is currently in short supply. The allocation of up to 250 beds to the Purchaser and/or the Company under the terms of the Proposed Transaction would enable the Group to mitigate issues in housing its foreign workers due to any shortage in supply of dormitories in Singapore.

5. CHAPTER 10 OF THE LISTING MANUAL

5.1. Total Consideration for the Proposed Transaction

The aggregate amount payable by the Purchaser to the Vendor in connection with the Proposed Transaction is expected to be S$24,335,620 ("**Total Consideration**") based on:

(a) the Base Purchase Consideration payable under the Sale and Purchase Agreement (subject to post-Completion adjustments, if any);

(b) the Loan Amount under the Shareholders' Agreement; and

(c) such security as may be required to be given by the Purchaser and/or the Company in respect of the Bank Facilities Agreement ("**Bank Facilities Security**") as a condition to the Bank’s consent for the Proposed Acquisition (as described in Section 3.1(c)(ii) above), based on the amount owing under the Bank Facilities Agreement as at Completion which is estimated to be approximately S$12,450,000.

The Company intends to fund the Total Consideration using internal cash resources of the Group.

The Total Consideration was arrived at after negotiations on an arm's length basis and on a willing-buyer and willing-seller basis, after taking into account the valuation of the Property, the net book value of the Target, the rationale for the Proposed Transaction, the business prospects and potential of the Target, and the interest payable on the Loan.

5.2. Relative Figures under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable[(1)]
(b)	The net profits[(2)] attributable to the Sale Shares, compared with the Group's net profits	30.1[(3)]
(c)	The aggregate value of the Total Consideration[(4)], compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	97.7[(5)]
(d)	The number of equity securities to be issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities of the Company previously in issue	Not applicable[(5)]
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves	Not applicable[(6)]

Notes:

(1) Not applicable as the Proposed Transaction does not involve a disposal of assets.

(2) "Net profits" is defined to be profit or loss before income tax, non-controlling interests and extraordinary items.

(3) Computed based on (a) the net profits before tax attributable to the Sale Shares of approximately S$3,284,923, based on the Target's unaudited financial statements for FY2023; and (b) the net profits of the Group for FY2023 of approximately S$10,918,000, based on the Group's unaudited consolidated financial statements for FY2023.

(4) Based on the Total Consideration, comprising the Base Purchase Consideration, the Loan Amount and the Bank Facilities Security.

(5) The Company's market capitalisation of approximately S$37.7 million is based on its total number of issued ordinary shares ("**Shares**") of 322,386,218 and the weighted average price of S$0.1168 per Share on 28 March 2024, being the last traded market day prior to the date of the Sale and Purchase Agreement.

(6) Not applicable as no equity securities are to be issued as part of the consideration for the Proposed Transaction.

(7) Not applicable as the Company is not a mineral, oil and gas company.

5.3. **Shareholders' approval in respect of the Proposed Transaction**

As the relative figures set out in Rules 1006(b) and (c) of the Listing Manual exceed 20% but do not exceed 100%, the Proposed Transaction will constitute a major transaction under Rule 1014 of the Listing Manual and is therefore subject to the approval of Shareholders at an EGM to be convened.

6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

6.1. Assumptions

FOR ILLUSTRATIVE PURPOSES ONLY. The unaudited *pro forma* financial effects of the Proposed Transaction on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance or position of the Group after Completion of the Proposed Transaction.

The *pro forma* financial effects set out below have been prepared based on the unaudited consolidated financial statements of the Group for FY2023 and the unaudited financial statements of the Target for FY2023, as well as the following bases and assumptions:

(a) the financial effects on the consolidated net tangible asset value ("**NAV**") per Share is computed based on the assumption that the Proposed Transaction had been completed on 31 December 2023;

(b) the financial effects on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Transaction had been completed on 1 January 2023;

(c) expenses to be incurred in respect of the Proposed Transaction are estimated to be approximately S$850,000;

(d) the consideration for the Proposed Transaction is based on the Total Consideration, comprising the Base Purchase Consideration, the Loan Amount and the Bank Facilities Security; and

(e) the unaudited net tangible asset value of the Sale Shares is adjusted in the manner set out under Section 2.2 above.

6.2. NAV per Share

	Before the Proposed Transaction	**After the Proposed Transaction**
NAV[(1)] (S$'000)	105,163	113,290
NAV per Share (cents)	32.62	35.14

Note:
(1) NAV means total assets less the sum of total liabilities and non-controlling interest.

6.3. **EPS**

	Before the Proposed Transaction	After the Proposed Transaction
Net profit attributable to the Shareholders (S$'000)	6,376	18,817
Weighted average number of Shares	322,386,218	322,386,218
EPS (cents)	1.98	5.84

7. PROPOSED BUSINESS DIVERSIFICATION

7.1. Background

The Group is currently engaged in the core business of construction spanning across general construction, specialised engineering, property development and green technology. The Group has an extensive and robust business presence in key markets such as Singapore, Malaysia, Thailand and the Philippines (the "**Existing Business**"). The Group remains committed to the Existing Business as long as its continuity is in the best interests of the Group and the Shareholders.

In connection with the Proposed Transaction, the Group proposes to diversify the Existing Business to include the Accommodation Business, which is intended to include:

(a) sourcing for suitable land parcels or tendering for suitable projects in owning, developing and constructing the Accommodation Assets; and

(b) managing and operating the Accommodation Assets, including without limitation, leasing out the Accommodation Assets for the collection of rent, as well as the provision of property management services for the Accommodation Assets.

7.2. Rationale for the Proposed Diversification

The Board proposes to diversify the Group's business to include the Accommodation Business for the following reasons:

(a) <u>Complements and reduce reliance on its Existing Business and create additional and recurrent revenue streams</u>

The Accommodation Business is complementary to the Existing Business as the Group will be able to utilise purpose-built workers' dormitories under the Accommodation Business to house the foreign workers employed by the Group for its Existing Business. Under the terms of the Shareholders' Agreement, the Target will be entitled to request that up to 250 beds in the Dormitory be allocated for usage by the Group.

Furthermore, the Group is currently only involved in the Existing Business, which is becoming increasingly challenging and competitive. The Proposed Diversification will reduce the Group's reliance on its Existing Business and open up a new business segment and revenue stream for the Group.

The Proposed Diversification is expected to provide additional and recurrent revenue streams for the Group from the Accommodation Business, which will include management fees, rental fees and gains from capital appreciation.

(b) Enhance shareholder value

The Proposed Diversification is part of the corporate strategy of the Group to realign its business strategies and improve profits, as well as provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance shareholder value in the Company.

The Group will venture into the Accommodation Business prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth.

(c) Positive prospects in the accommodation development and management industry

There has consistently been strong demand for dormitory housing for foreign manpower in Singapore, with the Ministry of Manpower of Singapore calling for employers to consider building their own worker housing to house their workers. As construction activity has rebounded post-pandemic, there has been a surge in demand and the purpose-built workers' dormitories in Singapore are mostly operating at full capacity.

Thus, given the prospects in relation to the accommodation development and management industry in Singapore, the Group believes that, barring unforeseen circumstances, this expansion into the Accommodation Business will yield an additional source of revenue for the Group.

(d) The Proposed Diversification will give the Group flexibility to enter into transactions relating to the Dormitory Business in the ordinary course of business

Subject to the Shareholders' approval for the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Accommodation Business, may be deemed to be in the Company's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Company may, in its ordinary course of business, enter into transactions relating to the Accommodation Business and which will not change the risk profile of the Company, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Accommodation Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

7.3. **Shareholders' approval in respect of the Proposed Diversification**

The Proposed Diversification involves the expansion into the Accommodation Business which is substantially different from the Existing Business and hence, is envisaged to change the existing risk profile of the Group.

Pursuant to the Listing Manual, Shareholders' approval is required for the Proposed Diversification. Accordingly, the Proposed Diversification is subject to the approval of Shareholders at an EGM to be convened.

8. CIRCULAR AND EXTRAORDINARY GENERAL MEETING

The Company will be convening an EGM to seek the approval of Shareholders for the Proposed Transaction and the Proposed Diversification, notice of which will be announced in due course. Further details on the Proposed Transaction and the Proposed Diversification will be set out in a circular to be released by the Company to the Shareholders in due course. The EGM will allow Shareholders the opportunity to communicate their views on the Proposed Transaction and Proposed Diversification, and consider, if thought fit, to approve the Proposed Transaction and the Proposed Diversification.

9. SHAREHOLDER UNDERTAKINGS

As at the date of this announcement, the following Shareholders have given irrevocable undertakings to the Company and the Vendor to, *inter alia*, vote in favour of all resolutions which are proposed at the EGM to approve the Proposed Transaction and the Proposed Diversification and all matters relating or incidental thereto:

(a) BBR Holding AG, Switzerland, which legally and beneficially holds 85,632,978 Shares, representing approximately 26.56% of the total number of issued Shares;

(b) Tan Kheng Hwee Andrew, who legally and beneficially holds 17,478,874 Shares, representing approximately 5.42% of the total number of issued Shares; and

(c) Voon Yok Lin, who legally and beneficially holds 16,690,000 Shares, representing approximately 5.18% of the total number of issued Shares.

10. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

As at the date of this announcement, none of the Directors or (so far as the Directors are aware) controlling Shareholders has any interest, direct or indirect, in the Proposed Transaction and the Proposed Diversification (other than through their respective shareholdings in the Company, if any).

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Sale and Purchase Agreement, the Shareholders' Agreement, the Management Services Agreement and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126 for a period of three months from the date of this Announcement.

BY ORDER OF THE BOARD

TAN KHENG HWEE ANDREW
Executive Director and Chief Executive Officer
1 April 2024