BRITISH AND MALAYAN HOLDINGS LIMITED
(Company Registration No. 201632914Z)
(Incorporated in the Republic of Singapore)

THE PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT 1 COLEMAN STREET #08-01, THE ADELPHI, SINGAPORE 179803
- **GRANT OF OPTION TO PURCHASE**

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1. INTRODUCTION

The Board of Directors (the "**Board**") of British and Malayan Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement dated 9 March 2022.

The Board wishes to announce that British and Malayan Trustees Limited ("**BMT**"), a wholly-owned subsidiary of the Company, has today granted an option to purchase (the "**Option**") to an independent third party purchaser (the "**Purchaser**") in relation to the property situated at 1 Coleman Street #08-01, The Adelphi, Singapore 179803 (the "**Property**") for an aggregate consideration of S$11,316,000 (the "**Consideration**") subject to the terms and conditions of the Option (the "**Proposed Disposal**"). The Option shall remain valid up to 4.00 p.m. on 29 August 2022.

2. INFORMATION ON THE PROPERTY

The Property is a unit with a leasehold tenure of 999 years commencing on 12 May 1828. The area of the Property is approximately 391 square metres. The Property is used as the office premises of the Group.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1. Consideration

The Consideration was arrived at on a willing buyer and willing seller basis and was facilitated by a property agent. In deriving the Consideration, the Group had taken into account, amongst other things, (i) the independent valuation of the Property conducted in March 2022 (further details of which are set out in paragraph 6 below), (ii) the general property market conditions, and (iii) the offers which the Company had received.

In accordance with the terms of the Option, the Consideration (together with GST thereon) will be payable by the Purchaser in cash to BMT as follows:

(a) a sum of S$113,160 (the "**Option Fee**"), which is equivalent to 1% of the Consideration, was paid by the Purchaser upon grant of the Option;

(b) a further sum of S$1,018,440, which is equivalent to 9% of the Consideration, is payable by the Purchaser upon exercise of the Option; and

(c) the balance sum of S$10,184,400, which is equivalent to 90% of the Consideration, is payable by the Purchaser upon completion of the Proposed Disposal, which shall be 12 weeks from the exercise of the Option ("**Completion**").

In the event that the Option is not exercised by the Purchaser, the Option Fee shall be forfeited to BMT, and the Purchaser shall not be entitled to a refund of the Option Fee.

3.2. Conditions Precedent

The Proposed Disposal is subject to and conditional upon, amongst other things, the following conditions ("**Conditions Precedent**"):

(a) the approval of shareholders of the Company ("**Shareholders**") being obtained for the Proposed Disposal;

(b) the approval of the Company (as the sole shareholder of BMT) being obtained for the Proposed Disposal;

(c) the Purchaser's solicitors having received satisfactory replies to the usual legal requisitions sent to the relevant government departments and authorities;

(d) there being no notice of acquisition or intended acquisition being served by the relevant authority in respect of the Property or The Adelphi development by the date of Completion which materially affects the Property; and

(e) the Purchaser obtaining the written confirmation from the Singapore Land Authority that there is no pending action by the lessor to re-enter or terminate the lease granted under the relevant State Leases.

3.3. Completion

Subject to the fulfilment of the conditions set out in paragraph 3.2, Completion is expected to take place on the date falling 12 weeks after the date of exercise of the Option. BMT shall deliver vacant possession of the Property to the Purchaser on Completion.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board has internally assessed the utilisation of the Property currently used for the Group's business activities and concluded that it may not be cost efficient to continue to operate out of the Property. The Board believes that the Proposed Disposal is in the best interests of the Group and the Shareholders, as it allows the Group to realise its investment in the Property in the current market conditions, and to reallocate its resources to improve and optimise the utilisation of assets.

5. USE OF PROCEEDS

The Group expects to receive net proceeds of approximately S$10.9 million (the "**Net Proceeds**") from the Proposed Disposal (after deducting professional and related expenses incurred). The Group intends to use the Net Proceeds towards (i) the organic expansion of BMT, and (ii) the acquisition of potential new synergistic businesses for the Group.

6. VALUE OF THE PROPERTY

Based on the full valuation of the Property commissioned by the Group and undertaken by the independent professional valuer, Edmund Tie & Company (SEA) Pte Ltd, the market value ascribed to the Property in its valuation report dated 31 March 2022 ("**Valuation Report**") was

S$11,300,000. The valuation was made on the basis of market value, or the highest value at which the sale interest in the Property might reasonably be expected to have been completed on the date of valuation.

Based on the latest announced unaudited consolidated financial statements of the Group for the 6-month financial period ended 31 December 2021 ("**HY2022**"), the net book value of the Property is approximately S$2,747,622. No net profits are applicable to the Property as the Property is used solely as the Group's office premises and does not generate any profits. The excess of the proceeds from the Proposed Disposal over the book value is approximately S$8,568,378. The net gain on the Proposed Disposal is expected to be approximately S$8,465,508.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

7.1. The *pro forma* financial effects of the Proposed Disposal in this section have been prepared based on the Group's audited consolidated financial statements for the financial year ended 30 June 2021 ("**FY2021**") and under the following assumptions:

(a) the Proposed Disposal had been completed on 1 July 2020 for the purposes of illustrating the financial effects on the Group's earnings per share ("**EPS**") and/or loss per share ("**LPS**"); and

(b) the Proposed Disposal had been completed on 30 June 2021 for the purposes of illustrating the financial effects on the Group's net tangible assets ("**NTA**") per share.

The *pro forma* financial effects presented below are purely for illustrative purposes only and do not reflect the future actual financial position and performance of the Company or the Group after the completion of the Proposed Disposal.

7.2. NTA

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA (S$'000)	6,597	15,016
Number of shares ('000)	8,758	8,758
NTA per share (Singapore cents)	75	171

7.3. EPS / LPS

	Before the Proposed Disposal	**After the Proposed Disposal**
Net (loss) / profit attributable to Shareholders (S$'000)	(1,440)	6,979
Number of shares ('000)	8,758	8,758
(LPS) / EPS (Singapore cents)	(16)	80

8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") in respect of the Proposed Disposal and based on the latest announced unaudited consolidated financial statements of the Group for HY2022 are as follows:

Rule	Bases of Calculation	Relative Figures (%)
1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value (1)	39.42%(2)
1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable (3)
1006(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	43.65%(4)
1006(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable as this is not an acquisition
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves (only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company)	Not applicable

Notes:

(1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities.

(2) Based on the net asset value of the Property of approximately S$2,747,622 as at 31 December 2021 and the net asset value of the Group of approximately S$6,970,984 as at 31 December 2021.

(3) Not applicable as no profit is attributable to the Property as it is used solely as the Group's office premises.

(4) Based on the Consideration of S$11,316,000 and the Company's market capitalisation of approximately S$25,923,917. The market capitalisation is based on 8,758,080 shares of the Company ("**Shares**") in issue and the volume weighted average price of the Shares of S$2.96 on 5 August 2022, which is the last full market day on which the Shares were traded prior to the date of the grant of the Option.

As the relative figures in respect of Rule 1006(a) and 1006(c) of the Listing Manual exceeds 20%, the Proposed Disposal constitutes a major transaction under Rule 1014(1) of the Listing Manual and is accordingly subject to the approval of shareholders at an extraordinary general meeting ("**EGM**") to be convened pursuant to Rule 1014(2) of the Listing Manual.

9. SECTION 160 OF THE COMPANIES ACT 1967

The Proposed Disposal would also constitute the disposal of the whole or substantially the whole of the Company's property or undertaking under Section 160 of the Companies Act 1967 of Singapore ("**Companies Act**").

10. EXTRAORDINARY GENERAL MEETING

In the event that the Purchaser exercises the Option, the Company will convene an EGM to seek the approval of the Shareholders for the Proposed Disposal pursuant to Rule 1014(2) of the Listing Manual and Section 160 of the Companies Act. A circular to Shareholders ("**Circular**") setting out the information on the Proposed Disposal, together with the notice of EGM to be convened, will also be dispatched to the Shareholders in due course.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

13. DOCUMENTS FOR INSPECTION

Copies of the Option and the Valuation Report are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 1 Coleman Street #08-01, The Adelphi, Singapore 179803 for three (3) months from the date of this announcement.

Shareholders who wish to inspect the Option and the Valuation Report may email angela.ho@bmtrust.com to make an appointment in advance so as to limit the number of people who are present at the Company's registered office at any one time. Such arrangements are subject to the prevailing regulations, orders, advisories and guidelines in relation to safe distancing measures implemented by the relevant authorities from time to time.

14. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements when there are further developments on the Proposed Disposal and other matters contemplated by this announcement.

15. CAUTIONARY STATEMENTS

Shareholders and potential investors should note that the Proposed Disposal is in any event subject to the Purchaser's exercise of the Option and the Conditions Precedent, and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. Shareholders and potential investors are accordingly advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
BRITISH AND MALAYAN HOLDINGS LIMITED

Angela Ho Wei Ling / Chan Lai Yin
Company Secretaries
8 August 2022