

**CIRCULAR DATED 17 MAY 2024**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

This Circular has been made available on SGXNET and the website of the Company and may be accessed at the URL <https://bbr.listedcompany.com/egm.html>. **A printed copy of this Circular will NOT be despatched to Shareholders.**

The purpose of this Circular is to provide information to the Shareholders relating to the Proposed Transaction and the Proposed Diversification to be tabled at the EGM to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 3 June 2024 at 4.00 p.m..

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately inform the purchaser or transferee or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and accompanying Proxy Form) may be accessed at the Company's website at <https://bbr.listedcompany.com/egm.html> and SGXNET.

Your attention is drawn to Section 8 of this Circular in respect of actions to be taken if you wish to attend and vote at the EGM.



**BBR HOLDINGS (S) LTD**  
(Company Registration No.: 199304349M)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (I) PROPOSED ACQUISITION OF 49% OF THE SHARES IN JSCL INVESTMENTS PTE. LTD. AND ENTRY INTO THE SHAREHOLDERS' AGREEMENT IN RESPECT OF JSCL INVESTMENTS PTE. LTD. FOR A TOTAL CONSIDERATION OF S\$30,436,120; AND**
- (II) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE ACCOMMODATION BUSINESS**

**IMPORTANT DATES AND TIMES**

|  |   |   |
|--|---|---|
| Last date and time to submit questions for the EGM | : | 24 May 2024 at 4.00 p.m.                                    |
| Last date and time for lodgement of Proxy Form     | : | 31 May 2024 at 4.00 p.m.                                    |
| Date and time of EGM                               | : | 3 June 2024 at 4.00 p.m.                                    |
| Place of EGM                                       | : | 50 Changi South Street 1, BBR Building,<br>Singapore 486126 |

Registered Office: 50 Changi South Street 1, BBR Building, Singapore 486126

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

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| "Accommodation Assets"        | : | Dormitories, purpose-built workers' accommodation, student accommodation and other similar accommodation assets, and each an " <b>Accommodation Asset</b> "  |
| "Accommodation Business"      | : | The business of owning, developing, constructing, managing and operating Accommodation Assets in geographical markets where the Group has a presence or operates in  |
| "Announcement"                | : | The announcement dated 1 April 2024 released by the Company in respect of the Proposed Transaction and the Proposed Diversification  |
| "Bank"                        | : | Malayan Banking Berhad   |
| "Bank Facility"               | : | The term financing facility of an aggregate amount equal to S\$22,410,000 and 30% of the estimated market value of the Property, granted by the Bank to the Target under the Bank Facility Agreement               |
| "Bank Facility Agreement"     | : | The bank facility agreement between the Target and the Bank in relation to the Bank Facility   |
| "Bank Facility Security"      | : | The security to be provided by the Purchaser on Completion for up to 49% of the Target's obligations under the Bank Facility Agreement and the Bank Facility, as further described in Section 2.1 of this Circular |
| "Base Purchase Consideration" | : | S\$14,335,620  |
| "Board"                       | : | The board of directors of the Company for the time being   |
| "Business Day"                | : | A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore   |
| "Circular"                    | : | This circular to Shareholders dated 17 May 2024 in relation to the Proposed Transaction and the Proposed Diversification   |
| "Companies Act"               | : | Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time  |
| "Company"                     | : | BBR Holdings (S) Ltd   |
| "Completion"                  | : | The completion of the Proposed Acquisition in accordance with the terms and conditions set out in the Sale and Purchase Agreement  |
| "Completion Date"             | : | 5 June 2024 or such other date as the Purchaser and the Vendor may agree in writing  |
| "Completion Net Cash"         | : | The net cash (as specified in the Sale and Purchase Agreement) of the Target as at the Completion Date   |

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## DEFINITIONS

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| "Conditions Precedent"    | : | The conditions precedent to be fulfilled (or waived) prior to 5 June 2024 or such later date as the Vendor and the Purchaser may mutually agree in writing   |
| "CPF Investors"           | : | Central Provident Fund Investment Scheme investors   |
| "Cut-Off Time"            | : | 4.00 p.m. on 24 May 2024   |
| "Directors"               | : | The directors of the Company for the time being  |
| "Dormitory"               | : | Homestay Lodge, a dormitory located at the Property  |
| "Dormitory Operator"      | : | The third party operator responsible for providing the Property Management Services for the Dormitory  |
| "Earnest Money"           | : | The amount of S\$143,356.20, being 1% of the Base Purchase Consideration   |
| "EGM"                     | : | The extraordinary general meeting of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 3 June 2024 at 4.00 p.m., notice of which is set out on pages N-1 to N-4 of this Circular     |
| "EPS"                     | : | Earnings per Share   |
| "Existing Business"       | : | The Group's core business of construction spanning across general construction, specialised engineering, property development and green technology in key markets such as Singapore, Malaysia, Thailand and the Philippines      |
| "FY"                      | : | Financial year ended or ending 31 December   |
| "Group"                   | : | The Company and its subsidiaries   |
| "Independent Valuer"      | : | Savills Valuation And Professional Services (S) Pte Ltd, an independent firm of professional valuers which had been commissioned by the Company to conduct an independent valuation on the Property                              |
| "Interest"                | : | The interest payable on the Loan amounting to 15.0% per annum of the outstanding Loan Amount   |
| "JTC"                     | : | JTC Corporation  |
| "JTC Lease"               | : | Two (2) leases issued by JTC Corporation in respect of the Property, each for a term of 30 years commencing from 1 July 1999   |
| "Latest Practicable Date" | : | 6 May 2024, being the latest practicable date prior to the release of this Circular on SGXNET and the Company's corporate website at <a href="https://bbr.listedcompany.com/egm.html">https://bbr.listedcompany.com/egm.html</a> |
| "Listing Manual"          | : | The listing manual of the SGX-ST, as amended or modified from time to time.  |
| "Loan"                    | : | A loan to be granted by the Company to the Vendor for the Loan Amount  |

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## DEFINITIONS

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| <b>"Loan Amount"</b>                   | : | The principal amount of S\$10,000,000   |
| <b>"Loan Request Period"</b>           | : | The period between the date falling six (6) months from the Completion Date and the date falling 12 months from the Completion Date   |
| <b>"NAV"</b>                           | : | Net tangible asset value, being total assets less the sum of total liabilities and non-controlling interests  |
| <b>"Notice of EGM"</b>                 | : | The notice of EGM set out on pages N-1 to N-4 of this Circular  |
| <b>"Major Transaction"</b>             | : | Per Rule 1014 of the Listing Manual, a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20% but less than 100%   |
| <b>"Management Services Agreement"</b> | : | The management services agreement dated 29 March 2024 entered into between the Purchaser and the Target, pursuant to which and subject to Completion taking place, the Target will appoint the Purchaser to supervise, manage and liaise with the Dormitory Operator on behalf of the Target for the provision of Property Management Services by the Dormitory Operator to the Target in respect of the Property (including the Dormitory) on the terms of the Property Management Agreement |
| <b>"MSA Term"</b>                      | : | The period commencing on the Completion Date and expiring at the date of termination of the Management Services Agreement, which will terminate automatically on 30 June 2029 (being the date of expiry of the JTC Lease)   |
| <b>"Property"</b>                      | : | The property located at 21 to 29 and 31 to 39 Kaki Bukit Avenue 3 Singapore 415916 to 415925  |
| <b>"Property Management Agreement"</b> | : | The property management agreement dated 8 July 2022 entered into between the Dormitory Operator and the Target  |
| <b>"Property Management Services"</b>  | : | Means the asset management and property management services provided by the Dormitory Operator under the terms of the Property Management Agreement   |
| <b>"Proposed Acquisition"</b>          | : | The proposed acquisition by the Purchaser of the Sale Shares, representing 49% of the issued and paid-up share capital of the Target, from the Vendor, for the Base Purchase Consideration of S\$14,335,620 upon the terms and subject to the conditions of the Sale and Purchase Agreement   |
| <b>"Proposed Diversification"</b>      | : | The proposed diversification of the Existing Business to include the Accommodation Business, as further described in in Section 1.1 of this Circular  |
| <b>"Proposed Transaction"</b>          | : | The Proposed Acquisition and the entry into the Shareholders' Agreement, as further described in Section 1.1(b) of this Circular  |

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## DEFINITIONS

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| "Proxy Form"                  | : | The proxy form accompanying the Notice of EGM as set out on pages P-1 to P-2 of this Circular  |
| "Purchase Consideration"      | : | The consideration for the purchase of the Sale Shares pursuant to the Sale and Purchase Agreement in connection with the Proposed Acquisition, as further described in Section 2.5(b) of this Circular   |
| "Purchaser"                   | : | Alika Kaki Bukit Holdings Pte. Ltd., a wholly-owned subsidiary of the Company  |
| "Purchaser Directors"         | : | The directors to be nominated by the Purchaser on the Target Board, as further described in Section 2.6(b) of this Circular  |
| "Repayment Date"              | : | 30 June 2029, being the date of expiry of the JTC Lease  |
| "Sale and Purchase Agreement" | : | The sale and purchase agreement dated 29 March 2024 entered into between the Vendor and the Purchaser in respect of the Proposed Acquisition   |
| "Sale Shares"                 | : | 8,937,647 issued and paid-up ordinary shares in the capital of the Target  |
| "SGXNET"                      | : | The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST  |
| "SGX-ST"                      | : | Singapore Exchange Securities Trading Limited  |
| "Shareholders"                | : | Means:<br><br>(a) where the Depository is named in the register of members of the Company as the holder of Shares, a Depositor in respect of the number of Shares standing to the credit of his name in the Depository Register; and<br><br>(b) in any other case, a person whose name appears on the register of members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law |
| "Shareholders' Agreement"     | : | The shareholders' agreement dated 29 March 2024 entered into between the Vendor and the Purchaser to govern their respective rights and obligations, and regulate their relationship <i>inter se</i> as shareholders of the Target in the conduct of the business and related affairs of the Target  |
| "Shares"                      | : | Ordinary shares in the capital of the Company, and each a "Share"  |
| "SRS Investor"                | : | Supplementary Retirement Scheme investor   |

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## DEFINITIONS

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|                                  |   |  |
|----------------------------------|---|--|
| "Substantial Shareholder"        | : | A person who has an interest in one or more voting shares in the Company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the Company |
| "S\$" and "cents"                | : | Singapore dollars and cents respectively, being the lawful currency of Singapore   |
| "Target"                         | : | JSCL Investments Pte. Ltd., a private company limited by shares incorporated in the Republic of Singapore with company registration number 201104109E  |
| "Target Board"                   | : | The board of directors of the Target   |
| "Target FY2023 Audited Accounts" | : | The audited financial statements of the Target for FY2023  |
| "Target Net Cash"                | : | S\$4,500,000   |
| "Total Consideration"            | : | The aggregate amount payable by the Purchaser to the Vendor in connection with the Proposed Transaction of approximately S\$30,436,120, as further described in Section 2.8 of this Circular                   |
| "Valuation Certificate"          | : | A valuation certificate issued by the Independent Valuer set out in Appendix A to this Circular  |
| "Valuation Report"               | : | The valuation report in respect of the Property issued by the Independent Valuer   |
| "Vendor"                         | : | Tuckman Limited, a company incorporated in the British Virgin Islands  |
| "Vendor Bank Security"           |   | Any undertakings, indemnities, obligations or security required by the Bank to be provided by the Vendor Security Provider, as further described in Section 2.6(h) of this Circular                            |
| "Vendor Distributions"           | : | All dividends and distributions declared by the Target in favour of the Vendor and which is payable to the Vendor, as further described in Section 2.6(f) of this Circular                                     |
| "Vendor Security Provider"       |   | The Vendor or its sponsor, parent company or other related corporation required to provide the Vendor Bank Security to the Bank, as further described in Section 2.6(h) of this Circular                       |
| "%" or "per cent."               |   | Percentage or per centum   |

The terms "**Depositor**", "**Depository**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

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## DEFINITIONS

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Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual, or any statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Circular is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the Proposed Transaction and Proposed Diversification.



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## LETTER TO SHAREHOLDERS

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### BBR HOLDINGS (S) LTD

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199304349M)

#### Board of Directors

Mr Tan Kheng Hwee Andrew (*Executive Director and Chief Executive Officer*)  
Mr Voon Yok Lin (*Executive Director*)  
Mr Bruno Sergio Valsangiacomo (*Non-Executive Director*)  
Mr Pietro Brenni (*Non-Executive Director*)  
Mr Lim Boon Cheng (*Independent Non-Executive Director*)  
Mr Chan Mun Wei (*Independent Non-Executive Director*)  
Ms Karen Lee Kiah Ling (*Independent Non-Executive Director*)  
Mr Voon Chet Chie (*Alternate Director to Mr Voon Yok Lin*)  
Mr Romano William Fanconi (*Alternate Director to Mr Pietro Brenni*)

#### Registered Office

50 Changi South Street 1  
BBR Building  
Singapore 486126

17 May 2024

To: The Shareholders of BBR Holdings (S) Ltd

Dear Shareholders

- (I) **PROPOSED ACQUISITION OF 49% OF THE SHARES IN JSCL INVESTMENTS PTE. LTD. AND ENTRY INTO THE SHAREHOLDERS' AGREEMENT IN RESPECT OF JSCL INVESTMENTS PTE. LTD. FOR A TOTAL CONSIDERATION OF S\$30,436,120**
- (II) **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE ACCOMMODATION BUSINESS**

### 1 INTRODUCTION

#### 1.1 Announcement

On 1 April 2024, the Company announced that the Purchaser, namely its wholly-owned subsidiary, Alika Kaki Bukit Holdings Pte. Ltd., had, on 29 March 2024, entered into:

- (a) the Sale and Purchase Agreement with the Vendor, namely Tuckman Limited, for the Proposed Acquisition by the Purchaser of 49% of the issued and paid-up capital of the Target, namely JSCL Investments Pte. Ltd., upon the terms and subject to the conditions of the Sale and Purchase Agreement;
- (b) in connection with the Proposed Acquisition, the Shareholders' Agreement (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; and
- (c) in connection with the Proposed Transaction, the Management Services Agreement with the Target, which is subject to and will come into effect on Completion taking place, pursuant to which the Target will appoint the Purchaser to supervise, manage and liaise with the Dormitory Operator on behalf of the Target for the provision of Property Management Services by the Dormitory Operator to the Target in respect of the Property including the Dormitory, pursuant to the Property Management Agreement.

On Completion, the Company will, through the Purchaser, own 49% of the issued and paid-up share capital of the Target. In connection with the Proposed Transaction, the Company intends to diversify its Existing Business to include the Accommodation Business, comprising owning, developing, constructing, managing and operating Accommodation Assets such as

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## LETTER TO SHAREHOLDERS

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dormitories, purpose-built workers' accommodation, student accommodation and other similar accommodation assets ("**Proposed Diversification**") in geographical markets where the Group has a presence or operates in.

The Proposed Diversification involves the expansion into the Accommodation Business which is substantially different from the Existing Business. The Existing Business comprises the Group's core business of construction spanning across general construction, specialised engineering, property development and green technology in key markets such as Singapore, Malaysia, Thailand and the Philippines. It is envisaged that the Proposed Diversification will change the existing risk profile of the Group as the Accommodation Business is different from the Group's Existing Business. Accordingly, the Company intends to seek Shareholders' approval for the Proposed Diversification at the EGM to be convened.

### 1.2 Major Transaction

The Proposed Transaction constitutes a Major Transaction under Chapter 10 of the Listing Manual and is subject to the approval of Shareholders at the EGM. Accordingly, Completion under the Sale and Purchase Agreement is conditional upon the receipt of approval from the Shareholders. Upon completion of the Proposed Transaction, the Target will become an associated company (as defined under the Listing Manual) of the Company.

### 1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the rationale for, the benefits of and the financial effects of the Proposed Transaction and the Proposed Diversification, and to seek the approval of the Shareholders by way of separate ordinary resolutions for (a) the Proposed Transaction and (b) the Proposed Diversification at the EGM to be convened on Monday, 3 June 2024. The Notice of EGM is set out on pages N-1 to N-4 of this Circular.

**Shareholders should note that the ordinary resolution relating to the Proposed Transaction is contingent on the passing of the ordinary resolution relating to the Proposed Diversification as the Proposed Diversification is necessary for the purpose of the Accommodation Business which the Proposed Transaction encompasses. In the event the ordinary resolution relating to the Proposed Diversification is not approved by Shareholders, neither resolution will be passed.**

**The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.**

## 2 THE PROPOSED TRANSACTION

### 2.1 Information on the Target

The Target is a private company limited by shares incorporated in Singapore on 18 February 2011. As at the Latest Practicable Date, 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 the Dormitory, Homestay Lodge, located at the Property at 21 to 29 and 31 to 39 Kaki Bukit Avenue 3 Singapore 415916 to 415925 under the terms of the JTC Lease for a term of 30 years commencing from 1 July 1999. 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. As at the Latest Practicable Date, the Dormitory has a bed capacity of up to 5,888 beds (comprising 5,828 tenantable beds and 60 beds that are currently allocated as sick bay beds that are not available for lease) and an occupancy rate of 100%. The operations, management, marketing and maintenance of the Dormitory are undertaken by the Dormitory Operator.

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## LETTER TO SHAREHOLDERS

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The table below sets out the net profit before tax attributable, net book value and net tangible asset value of the Target for FY2021, FY2022 and FY2023 based on the Target's audited accounts for FY2021 and FY2022, and the Target FY2023 Audited Accounts:

| As at 31 December | Net Profit/(Loss) Before Tax (\$\$) | Net Book Value (\$\$) | Net Tangible Asset Value (\$\$) |
|-------------------|-------------------------------------|-----------------------|---------------------------------|
| 2021              | (9,054,582)                         | 84,179,414            | 84,179,414                      |
| 2022              | 4,859,690                           | 87,172,771            | 87,172,771                      |
| 2023              | 6,703,924                           | 90,993,494            | 90,993,494                      |

The loss in FY2021 was attributable to a decline in profit as a result of a drop in the Target's revenue from approximately S\$23.1 million in FY2020 to approximately S\$17.6 million in FY2021. This was mainly due to a drop in the occupancy rate of the Dormitory in FY2021 due to foreign workers returning to their countries of origin after the lifting of dormitory lockdowns since the start of COVID-19, along with the use of alternative housing such as temporary living quarters, quick-built dormitories, construction temporary quarters and private residential housing by companies requiring housing for foreign workers during this period. In FY2022, revenue and demand subsequently recovered to approximately S\$22.8 million.

The Target has borrowings in the form of the Bank Facility under which the principal amount outstanding as at 31 December 2023 is S\$15,562,500, which is secured by, *inter alia*, a first-registered mortgage over the Property in favour of the Bank.

### 2.2 Valuation of the Property

The valuation of the Property as set out in the Valuation Report issued by the Independent Valuer was based on 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. Based on the Valuation Report, the market value of the Property was S\$63,500,000 as at 31 January 2024.

The Valuation Certificate is annexed hereto as Appendix A. The Valuation Certificate and the Valuation Report are available to the Shareholders for inspection at the registered office of the Company.

### 2.3 Information on the Sale Shares

The open market value of the Sale Shares is not available as the shares of the Target are not publicly traded. Based on the Target FY2023 Audited Accounts, the net book value and net tangible asset value of the Sale Shares (being 49% of the total issued share capital of the Target) as at 31 December 2023 were approximately S\$44,586,812 and S\$44,586,812, respectively, and the net profit before tax attributable to the Sale Shares (being 49% of the total issued share capital of the Target) for FY2023 was approximately S\$3,284,923.

After adjusting for, *inter alia*, (i) cash amounting to S\$15,738,513 held by the Target that is in excess of the Target Net Cash of S\$4,500,000 and which may be distributed by the Target to the Vendor prior to Completion; and (ii) the discharge of the loan amount of S\$27,677,383 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) as at 31 December 2023, the adjusted net book value and adjusted net tangible asset value of the Sale Shares (being 49% of the total issued share capital of the Target) as at 31 December 2023 were approximately S\$23,313,023 and S\$23,313,023, respectively.

As at 31 December 2023, the net book value of the Property based on the Target FY2023 Audited Accounts is S\$67,100,000. After adjusting further for the valuation of the Property based on the Valuation Report as at 31 January 2024, the adjusted net book value and adjusted net tangible asset value attributable to the Sale Shares (being 49% of the total issued share capital of the Target) as at 31 December 2023 were approximately S\$21,549,023 and S\$21,549,023, respectively.

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## LETTER TO SHAREHOLDERS

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### 2.4 Information on the Vendor

The Vendor is a company incorporated in the British Virgin Islands. Its principal business is property and investment holding. The Vendor is 100% owned by Giant Honour Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is owned as to more than 51% by Pamfleet Real Estate Fund II L.P., an exempted limited partnership registered in the Cayman Islands.

As at the Latest Practicable Date, Seow Chin Heng, Adrian, a former Independent Non-Executive Director (having ceased to be an Independent Non-Executive Director on 16 October 2023) has been a director of the Target since 1 August 2019, 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, its subsidiaries, the Directors and/or the Substantial Shareholders.

### 2.5 Certain Salient Terms of the Sale and Purchase Agreement

Certain salient terms of the Sale and Purchase Agreement are set out below.

(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 the Completion Date.

(b) Purchase Consideration

(i) Pursuant to the Sale and Purchase Agreement, the consideration for the purchase of the Sale Shares is the Base Purchase Consideration of S\$14,335,620, which is subject to certain post-Completion adjustments detailed below 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:

- (A) the Earnest Money of S\$143,356.20, being 1% of the Base Purchase Consideration, within 14 days from the date of the Sale and Purchase Agreement; and
- (B) 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 the Completion Date.

As at the Latest Practicable Date, the Earnest Money has been paid to the Vendor.

(ii) Certain post-Completion adjustments apply to the Base Purchase Consideration as follows:

- (A) in the event the Completion Net Cash is less than the Target Net Cash of S\$4,500,000, 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. As such, prior to Completion, the Vendor may procure the Target to distribute such amount of cash

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## LETTER TO SHAREHOLDERS

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held by the Target that is in excess of the Target Net Cash to the Vendor;

- (B) in the event that Completion does not take place by 5 June 2024, for each day that passes after such date until the Completion, the Base Purchase Consideration shall be adjusted downwards by S\$38,000 as compensation for the reduction in the remaining lease term under the JTC Lease; and
- (C) in the event as at the Completion Date there are any payments in respect of the period prior to Completion due from or owing by the Target to (i) JTC under the JTC Lease, or (ii) the Bank under the Bank Facility granted to the Target pursuant to the Bank Facility Agreement, whether arising from a breach of the JTC Lease or Bank Facility, or otherwise (including payments in the ordinary course of business) in respect of the period prior to Completion and such payments have not been paid, the Base Purchase Consideration shall be adjusted downwards by such amount due or owing by the Company.

(c) Conditions Precedent

Completion of the Proposed Acquisition is conditional upon, *inter alia*, the Conditions Precedent having been fulfilled (or waived) in accordance with the terms of the Sale and Purchase Agreement, including the following:

- (i) the approval of the Shareholders being obtained for (A) the Proposed Acquisition and the extension of the Loan (as described in Section 2.6(e) of this Circular) by the Purchaser to the Vendor in accordance with the terms of the Shareholders' Agreement; and (B) 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 the Bank as required under the Bank Facility 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 in relation to the operations and/or financial condition or performance (including liabilities, assets and results) of the Target, that has caused or is likely to cause the revenue of the Target to decrease by more than 10% from that set forth in the Target FY2023 Audited Accounts, other than any change resulting from, relating to or arising out of:
  - (A) any changes, conditions, or effects in the economies or securities or financial markets (including interest rates, exchange rates and commodity markets) in general;
  - (B) the effect of any changes in applicable laws or accounting standards or practices; and

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- (C) any change, effect, or circumstance resulting from the announcement of the Sale and Purchase Agreement or the change in control of the Target resulting from the Proposed Acquisition.

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:

- (1) in the case of non-fulfilment of the Conditions Precedent 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
- (2) in the case of non-fulfilment of Condition Precedent referred to in paragraph (i) above, the Vendor will be entitled absolutely to the Earnest Money.

As at the Latest Practicable Date, the consent of the Bank referred to in the Condition Precedent set out in Section 2.5(c)(ii) has been obtained, subject to *inter alia* the condition that the Purchaser provides (i) security to the Bank in the form of a charge over the Sale Shares; and (ii) an undertaking as security over up to 49% of the Target's obligations under the Bank Facility Agreement and the Bank Facility amounting to S\$6,100,500 (representing 49% of S\$12,450,000 being the estimated principal amount outstanding under the Bank Facility on the Completion Date) ("**Bank Facility Security**"). In addition, the Purchaser has agreed with the Bank that the Target will maintain a cash reserve of S\$4.0 million after Completion.

**Shareholders are advised to exercise caution in trading their Shares as Completion of the Proposed Acquisition is subject to the Conditions Precedent and there is no certainty or assurance as at the date of this Circular that all of the Conditions Precedent will be satisfied (or waived, as the case may be), or that the Proposed Acquisition will be completed. Shareholders are advised to read this Circular and any announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have doubt about the actions they should take.**

### 2.6 Certain Salient Terms of the Shareholders' Agreement

Certain salient terms of the Shareholders' Agreement (which is subject to and will come into effect on Completion) are set out below.

(a) Business of the Target

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 (out of 5,828 tenantable 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) Composition of the Target Board

The Target Board will comprise up to four (4) directors, of which the Purchaser will have the right to nominate two (2) directors ("**Purchaser Directors**") and the Vendor will have



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the right to nominate two (2) directors for so long as each of the Purchaser and the Vendor remains a shareholder of the Target.

(c) Reserved Matters

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 the 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

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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 the Loan to the Vendor for the Loan Amount of S\$10,000,000, during the Loan Request Period. On 29 March 2024, the Vendor issued a written request, which shall take effect on the first day of the Loan Request Period, for the Purchaser to disburse the Loan in accordance with the terms of the Shareholders' Agreement.

The Interest payable on the outstanding Loan Amount is 15.0% per annum 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 the Repayment Date, which shall also be the last repayment date of the outstanding Loan Amount and the Interest accrued thereon, 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 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. As at the Latest Practicable Date, the Bank has agreed to the arrangements under the Shareholders' Agreement in relation to the assignment of the Vendor Distributions to the Purchaser.

(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.

(h) Other Terms

In the event the Bank requires any undertakings, indemnities, obligations or security provided by the Vendor or its sponsor, parent company or other related corporation



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("Vendor Security Provider") to the Bank ("Vendor Bank Security") to continue or requires any new Vendor Bank Security to be provided in favour of the Bank, the Purchaser will or will procure its related corporation (being an entity of substance reasonably acceptable to the Vendor) to provide an undertaking and indemnity to pay such Vendor Security Provider's obligations to the Bank (in a form and substance reasonably satisfactory to such Vendor Security Provider).

As at the Latest Practicable Date, the Bank has consented to the Proposed Transaction and the discharge of the existing Vendor Bank Security immediately prior to Completion, *inter alia*, on the condition that the Purchaser will provide the Bank Facility Security as detailed in Section 2.5 above.

### 2.7 Certain Salient Terms of the Management Services Agreement

Certain salient terms of the Management Services Agreement are set out below.

(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 MSA Term (which will automatically terminate on the expiry of the JTC Lease on 30 June 2029). For illustrative purposes only, assuming the Management Services Agreement was effective on and from 1 January 2023, based on the net profit before tax of the Target of S\$6,703,924 for FY2023 (based on the Target FY2023 Audited Accounts), the aggregate amount of fees which are payable by the Target to the Purchaser had it rendered the services under the Management Services Agreement in FY2023 would have been S\$1,666,785.

(c) Corporate Management Services

The Purchaser will during the MSA Term provide certain corporate management services, including services relating to general management, finance and treasury, legal and secretariat, and tax services, to the Target in consideration of payment by the Target of a monthly corporate management services fee. The Purchaser will be entitled at any time to nominate a related corporation to provide such corporate management services.

(d) Reinstatement at Expiry of the JTC Lease Term

Six (6) 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 under the terms and conditions of the JTC Lease in consideration

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of payment by the Target of such fee as specified in the Management Services Agreement.

### 2.8 Total Consideration for the Proposed Transaction

The aggregate amount payable by the Purchaser in connection with the Proposed Transaction is expected to be S\$30,436,120 ("**Total Consideration**"), comprising:

- (a) the Base Purchase Consideration of S\$14,335,620 payable to the Vendor under the Sale and Purchase Agreement (subject to post-Completion adjustments, if any);
- (b) the Loan Amount of S\$10,000,000 to be granted by the Purchaser to the Vendor pursuant to the Shareholders' Agreement; and
- (c) the financial assistance to be provided by the Purchaser by way of the Bank Facility Security to be given by the Purchaser to the Bank under the terms of the Bank's consent to the Proposed Transaction detailed in Section 2.5(c)(ii) above, amounting to S\$6,100,500 (representing 49% of S\$12,450,000 being the estimated principal amount outstanding under the Bank Facility as at the Completion Date).

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

The Total Consideration has been arrived at after negotiations between the Purchaser and the Vendor on an arm's length basis and on a willing-buyer and willing-seller basis, after taking into consideration, *inter alia*, the adjusted net book value and adjusted net tangible asset value of the Sale Shares (being 49% of the total issued share capital of the Target) of approximately S\$21,549,023 and S\$21,549,023, respectively as at 31 December 2023 as set out in Section 2.3 of this Circular, the valuation of the Property by the Independent Valuer as set out in Section 2.2 of this Circular, the rationales for the Proposed Transaction and the Proposed Diversification as set out in Sections 2.9 and 3.6 of this Circular, respectively, the business prospects and potential of the Target and the Interest payable on the Loan.

### 2.9 Rationale for the Proposed Transaction

The Directors believe that the Proposed Transaction is in interests of the Company and will benefit the Group 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.

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### 2.10 Certain Financial Effects of the Proposed Transaction

(a) Bases and Assumptions

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 actual financial effects of the Proposed Transaction on the NAV per Share and the EPS, nor do they represent the actual future financial position or financial performance of the Group after completion of the Proposed Transaction.

The unaudited *pro forma* financial effects of the Proposed Transaction on the Group as set out below have been prepared based on (a) the audited consolidated financial statements of the Group for FY2023; and (b) the Target FY2023 Audited Accounts, as well as the following bases and key assumptions:

- (i) the *pro forma* financial effects were prepared on the basis of equity accounting for the Target as an associated company;
- (ii) the financial effects on the consolidated NAV per Share is computed based on the assumption that the Proposed Transaction had been completed on 31 December 2023;
- (iii) the financial effects on the consolidated EPS is computed based on the assumption that the Proposed Transaction had been completed on 1 January 2023, the Loan was disbursed on the date falling six (6) months from such date and the income derived from the Interest on the Loan had accrued and was payable for a period of six (6) months in FY2023;
- (iv) transaction-related expenses such as stamp duty and professional fees to be incurred in respect of the Proposed Transaction are estimated to be approximately S\$850,000;
- (v) 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
- (vi) the net tangible asset value of the Sale Shares is adjusted in the manner set out under Section 2.3 of this Circular.

The *pro forma* financial effects set out in this Circular are theoretical in nature and are therefore not necessarily reflective of the results of the Group or the related effects on its financial position that would have been attained had the Proposed Transaction taken place in accordance with the main assumptions set out herein.

The financial effects of the Proposed Transaction as set out in Section 6 of the Announcement was previously computed based on the Total Consideration, which included the estimated security required to be given by the Purchaser and/or the Company in respect of the Bank Facility Agreement of approximately S\$12,450,000, being the entire amount of the estimated amount outstanding under the Bank Facility on the Completion Date. However, as set out in Section 2.5 of this Circular, the consent of the Bank has been obtained, which is subject to *inter alia* the condition that the Purchaser provides an undertaking as security over up to 49% of the Target's obligations under the Bank Facility Agreement and the Bank Facility amounting to S\$6,100,500 (representing 49% of S\$12,450,000).

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Accordingly, the Total Consideration (as set out in Section 2.8 of this Circular) has been updated and correspondingly, the unaudited *pro forma* financial effects of the Proposed Transaction on the Group as set out below have been recomputed based on the Bank Facility Security of S\$6,100,500 (representing 49% of S\$12,450,000 being the estimated principal amount outstanding under the Bank Facility on the Completion Date). The unaudited *pro forma* financial effects of the Proposed Transaction on the Group as set out below have also been recomputed to take into account the Interest payable by the Vendor on the Loan and the valuation of the Property as set out in Section 2.2 of this Circular.

(b) Effect on the NAV per Share

The illustrative effect of the Proposed Transaction on the Group's NAV is as follows:

|  | <b>Before the<br/>Proposed Transaction</b> | <b>After the<br/>Proposed Transaction</b> |
|--|--|---|
| NAV (S\$'000)                                      | 105,163                                    | 111,526                                   |
| Number of Shares as at the Latest Practicable Date | 322,386,218                                | 322,386,218                               |
| NAV per Share (cents)                              | 32.62                                      | 34.59                                     |

(c) Effect on the EPS

The illustrative effect of the Proposed Transaction on the EPS is as follows:

|   | <b>Before the<br/>Proposed Transaction</b> | <b>After the<br/>Proposed Transaction</b> |
|---|--|---|
| Net profit attributable to the Shareholders (S\$'000) | 6,376                                      | 17,803                                    |
| Weighted average number of Shares                     | 322,386,218                                | 322,386,218                               |
| EPS (cents)   | 1.98                                       | 5.52                                      |

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### 2.11 Relative Figures under Rule 1006 of the Listing Manual

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Transaction and based on the audited financial statements of the Group for FY2023 are as follows:

| Rule 1006 | Bases   | Relative Figures (%)          |
|-----------|---|-------------------------------|
| (a)       | The NAV of the assets to be disposed of, compared with the Group's NAV  | Not applicable <sup>(1)</sup> |
| (b)       | The net profits <sup>(2)</sup> attributable to the Sale Shares, compared with the Group's net profits   | 30.1 <sup>(3)</sup>           |
| (c)       | The aggregate value of the Total Consideration <sup>(4)</sup> , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares      | 80.8 <sup>(5)</sup>           |
| (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 <sup>(5)</sup> |
| (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 <sup>(6)</sup> |

**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 (being 49% of the net profits before tax of the Target), based on the Target FY2023 Audited Accounts; and (b) the net profits of the Group for FY2023 of approximately S\$10,918,000, based on the Group's audited consolidated financial statements for FY2023.
- (4) Based on the Total Consideration, comprising the Base Purchase Consideration of S\$14,335,620, the Loan Amount of S\$10,000,000 and the Bank Facility Security of S\$6,100,500 (representing 49% of S\$12,450,000 being the estimated principal amount outstanding under the Bank Facility on the Completion Date).
- (5) The Company's market capitalisation of approximately S\$37.7 million is based on its total number of 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.

The relative figure under Rule 1006(c) of the Listing Manual as set out in Section 5 of the Announcement was previously computed based on the Total Consideration, which included the estimated security required to be given by the Purchaser and/or the Company in respect of the Bank Facility Agreement of approximately S\$12,450,000, being the entire amount of the estimated amount outstanding under the Bank Facility on the Completion Date. However, as set out in Section 2.5 of this Circular, the consent of the Bank has been obtained, which is subject to *inter alia* the condition that the Purchaser provides an undertaking as security over up to 49% of the Target's obligations under the Bank Facility Agreement and the Bank Facility amounting to S\$6,100,500 (representing 49% of S\$12,450,000).

Accordingly, the Total Consideration (as set out in Section 2.8 of this Circular) has been updated and correspondingly, the relative figure under Rule 1006(c) of the Listing Manual above has been recomputed based on the Bank Facility Security of S\$6,100,500 (representing 49% of S\$12,450,000 being the estimated principal amount outstanding under the Bank Facility on the Completion Date).

As the relative figures under Rules 1006(b) and (c) of the Listing Manual exceed 20%, the Proposed Transaction constitutes a Major Transaction under Rule 1014 of the Listing Manual

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and is conditional on the approval of Shareholders being obtained at the EGM.

Further, in accordance with the SGX-ST's recommended practice in relation to diversification of business ("**SGX-ST's Recommended Practice**"), if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business ("**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Listing Manual in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 20% but does not exceed 100%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval. The Proposed Transaction is the First Major Transaction involving the Accommodation Business and the Company is therefore also seeking Shareholders' approval for the Proposed Transaction in compliance with the SGX-ST's recommended practice.

### **2.12 No Service Contracts**

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

## **3 THE PROPOSED DIVERSIFICATION**

### **3.1 Existing Business of the Group**

The Group is currently engaged in the Existing Business which comprises general construction, specialised engineering, property development and green technology in key markets such as Singapore, Malaysia, Thailand and the Philippines. The Group remains committed to the Existing Business as long as its continuity is in the best interests of the Group and the Shareholders.

### **3.2 The Proposed Diversification**

In connection with the Proposed Transaction and subject to the approval of the Shareholders at the EGM, the Company intends to diversify the Group's core 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 (including, for avoidance of doubt, Accommodation Assets that are owned by third parties).

The Proposed Diversification is intended to be limited to geographical markets where the Group currently has a presence or operates in.

### **3.3 Management of the Accommodation Business**

The Company is of the view that the work to be undertaken for the construction phase of the Accommodation Business would be an extension of the Existing Business. The Board is of the view that the current management of the Company already has the expertise and skillset required to manage the construction phase with regard to the third party sub-contractors it intends to engage as well as to any infrastructural works the Company will undertake itself. The Company however recognises that the ownership of Accommodation Assets and the management and operation phase of the Accommodation Business would be a new business sector for the Company. Nevertheless, the Company is confident of developing and building up the expertise required for the Accommodation Business over time.



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The Board and senior management of the Company comprise individuals with varied qualifications and experience who will provide the strategic vision and policy for the Accommodation Business. Participation in projects pursuant to the Accommodation Business will be under the supervision of the Executive Director and Chief Executive Officer, Mr Tan Kheng Hwee Andrew. Senior management personnel from the Company will also assist Mr Tan Kheng Hwee Andrew in the overseeing and management of the Accommodation Business. Additionally, in order to ensure that the Accommodation Business would be well managed and to minimise risks relating to the Accommodation Business, the Company intends to do as follows:

- (a) strengthen the management's expertise in the Accommodation Business with additional headcount as and when necessary by engaging new capable personnel with the required knowledge and relevant experience to assist with the day-to-day running of the Accommodation Business; and
- (b) in making decisions, the management will, where necessary and appropriate, seek the advice of qualified external consultants and experts.

Further, the Company believes that any additional experience and expertise required to carry out the Accommodation Business can be acquired and developed by the Company over time as it progresses.

### **3.4 Internal Controls and Risk Management of the Accommodation Business**

The Directors recognise the importance of internal controls and risk management for the smooth running of the Accommodation Business. The external and internal risks presented by the Accommodation Business to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Directors may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures. Where necessary, the audit and risk committee of the Company and the Directors will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance and risk management systems relating to the Accommodation Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

### **3.5 Revenue from, and Funding for, the Accommodation Business**

It is envisaged that the revenue from the new Accommodation Business will substantially be derived initially from the Purchaser and the Target, which is largely expected to comprise revenue from the rental of bed spaces pursuant to existing licence agreements in relation to the Dormitory and management fees payable to the Purchaser under the Management Services Agreement.

As disclosed in the Announcement and in Section 2.8 of this Circular, the Proposed Transaction will be funded by way of internal cash resources of the Group.

In the future, the Group may continue to fund the Accommodation Business through a combination of borrowings from financial institutions and internal cash resources of the Group and the Directors will determine the optimal mix of internal funding and bank borrowings, taking into account the cash flow of the Group (including the net cashflow generated from the rental of bed spaces and other income streams from the Accommodation Business) and prevailing bank financing costs. While the Board is of the opinion that the aforesaid are sufficient to finance

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the Accommodation Business and there is no imminent need to raise additional funds for the Accommodation Business, the Group may consider in future tapping into the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments, as and when necessary and deemed appropriate.

### 3.6 Rationale for the Proposed Diversification

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

(a) Complement and reduce reliance on its Existing Business and create additional and recurrent revenue streams

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. In relation to the Proposed Transaction and under the terms of the Shareholders' Agreement, the Target will be entitled to request that up to 250 beds out of 5,828 tenable 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 potential 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 industry in geographical markets where the Group has a presence or operates in

There has consistently been strong demand for dormitory housing for foreign manpower in geographical markets where the Group has a presence or operates in, and particularly in Singapore, with the Ministry of Manpower of Singapore calling for employers to consider building their own worker housing to house their workers. Specifically in relation to Singapore, as construction activity has rebounded post-COVID-19, there has been a surge in demand and the purpose-built workers' dormitories in Singapore are mostly operating at full capacity.

Given the prospects in relation to the accommodation industry in Singapore and in geographical markets where the Group has a presence or operates in, the Group believes that, barring unforeseen circumstances, this expansion into the Accommodation Business will yield an additional source of revenue for the Group.



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- (d) The Proposed Diversification will give the Group flexibility to enter into transactions relating to the Accommodation 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 Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Group 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 Group, in an efficient and timely manner without the need for the Company 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.

### 3.7 Risk Factors

In undertaking the Proposed Diversification and the Proposed Transaction, the Group could be affected by a number of risks which relate to the Accommodation Business as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification and the Proposed Transaction have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification and the Proposed Transaction, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Directors to predict all risk factors, nor can the Directors assess the impact of all factors on the Proposed Diversification and the Proposed Transaction or the extent to which any factor, or combination of factors, may affect the Proposed Diversification and the Proposed Transaction. There may also be other risks associated with entry into the Proposed Diversification and the Proposed Transaction which are not presently known to the Directors, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

**Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances. If a Shareholder is in doubt as to the action they should take, they should consult their stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser(s) immediately.**

- (a) The repayment of the Loan by the Repayment Date under the Proposed Transaction is dependent on the availability of profits and the performance of the Target

Under the terms of the Shareholders' Agreement, the Loan (including the Loan Amount and the Interest accrued thereon) extended by the Purchaser to the Vendor is to be repaid by way of assignment of the Vendor Distributions to the Purchaser and in the event that the Vendor Distributions 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. There is no guarantee that the entire Loan Amount and Interest will be repaid by the Repayment Date as the ability of the Vendor to repay the Loan is dependent on the Target's ability to declare and pay dividends, which is in turn dependent on, among others, the operating results, financial condition, other cash requirements including expenditures, the terms of borrowing arrangements (including the Bank Facilities Agreement) and

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contractual restrictions. Accordingly, the Group may be financially exposed for the quantum of the Loan remaining outstanding as at the Repayment Date. Having considered the terms of the Loan, the Target's track record of profitability and high rate of occupancy for the Dormitory, as well as the appointment of the Purchaser as the manager under the Management Services Agreement (including the management and performance fees due to the Purchaser thereunder), the Board is of the view that the financial exposure of the Group arising from a waiver of the Loan under the Shareholders' Agreement would be limited, manageable and appropriate in relation to the Proposed Transaction.

- (b) The Accommodation Business is a new business sector for the Group and the Group's personnel might not initially have the experience or expertise to operate the Accommodation Business

The Board recognises that the Accommodation Business would constitute a new business sector for the Group and the Group's personnel might not initially have the expertise to manage, oversee and operate certain aspects of the Accommodation Business. The Group's ability to successfully diversify into the Accommodation Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Accommodation Business. However, there can be no assurance that the Group's existing experience and expertise will be sufficient to operate the Accommodation Business, or that the Group will be able to attract or retain employees with the relevant experience and knowledge. If the Group is unable to attract and retain a sufficient number of suitable personnel with the required knowledge and relevant experience, the Group's business, results of operation and financial condition may be adversely affected. Delays in integration or unforeseen or unresolved issues may divert the Group's management attention and resources, or prevent revenue growth in the Accommodation Business, which may materially and adversely affect the results of operations or financial position of the Group.

Furthermore, the Group's future plans with regard to the Accommodation Business may not be profitable nor achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group

- (c) The Group faces the risk of delays in the development of properties for the Accommodation Business

The time required for the complete construction of Accommodation Assets, such as workers' or student dormitories, depends on the size of the property being developed, prevailing market conditions and when the third party contractors engaged by the Group commence construction. Delays can arise due to several factors, including adverse weather conditions, shortage of construction materials, equipment and/or labour, accidents, cessation of business of the Group's contractors, disputes with the Group's contractors and longer than expected time being taken for any necessary approvals, in the geographical markets where the Group has a presence or operates in. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability.

Time is of the essence with regard to the development of any property as the Group may only start collecting rental income after at least the first phase of such property has been developed and approved for occupation. As such, if there are delays to the development of any property, the total revenue which can be generated from the relevant Accommodation Asset would be affected, and the Group's earnings and financial performance may accordingly be adversely affected.

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- (d) The Accommodation Business will increase the Group's exposure to a shortage in supply of raw materials, labour and/or equipment

The progress of the development of properties for the Accommodation Business may be affected by a shortage or reduction of allocation of raw materials and/or construction equipment to the Group from the Group's suppliers for a variety of reasons. Although the Company is not expecting a shortage in the supply of raw materials, labour and/or equipment, the Company acknowledges that this is an inherent risk within the construction industry. The numerous construction activities which may take place in geographical markets where the Group has a presence or operates in from time to time may also lead to a temporary shortage of construction equipment, and a sudden spike in the demand for construction labourers. In addition, demand for raw materials may increase globally. As a result, the cost of such raw materials, equipment and labour may increase and the costs of development may exceed its initial projections, thereby affecting the Group's profitability.

- (e) The Accommodation Business will increase the Group's exposure to potential liability and loss arising from damages, injury or death due to accidents at construction worksites

Due to the nature of building construction, the Group faces the risk of accidents involving its employees or third parties on its development sites. In the event that any accidents occur which are not covered by the Group's insurance policies, or if claims arising from such accidents are in excess of its insurance coverage and/or any of its insurance claims are contested by its insurers, the Group will be required to pay compensation and its financial performance may be adversely affected. Such insurance claims may also result in higher insurance premiums payable by the Group in the future. These may have an adverse effect on the Group's financial performance and results of operations.

In addition, such accidents could also have an adverse impact on the Group's operations if the Group is required by regulatory authorities to suspend its operations for a period of time. This may result in fines or delays in project completion and possibly, cost overruns or liquidated damages, which will in turn affect the Group's profitability.

- (f) The Group may be required to obtain the necessary licences, permits, accreditation and/or approvals to operate the Accommodation Business

The Group may be required to obtain various licences, permits, accreditation and/or approvals to operate the Accommodation Business. Such licences, permits, accreditations and/or approvals are generally subject to conditions stipulated by the relevant issuing authorities or bodies (for example, the Ministry of Manpower in Singapore) and/or the relevant laws or regulations under which such licences, permits, accreditation and/or approvals are issued. Accordingly, the Group would be required to constantly assess and review its processes and operations to ensure that it is in compliance with the relevant conditions, laws and regulations. Failure to comply with such conditions, laws and regulations could result in the revocation or non-renewal of the relevant licence, permit, accreditation and/or approval or an imposition of fines or other penalties. In such an event, the Group's operations and financial performance will be adversely affected.

- (g) The Group may be exposed to the risk of illegal immigrants found at its workers' dormitories in Singapore

Under the Immigration Act 1959 of Singapore, any person who is found guilty of harbouring illegal immigrants shall be subject to imprisonment or fine, or both. Landlords who rent out their premises to foreign tenants are required by law to ensure that these tenants have valid permits and/or passes to stay in Singapore before renting out their premises and landlords are required to perform checks to ensure that the

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premises are not let out to illegal immigrants. Upon the entry into the Accommodation Business, the Group would be required to ensure that the foreigners residing in the Group's dormitories in Singapore are not illegal immigrants and have valid work passes or permits. The Group will take the necessary precautions to ensure that persons residing at the Group's dormitories in Singapore have the necessary work passes or permits such as conducting regular checks on the validity of their work passes or permits. However, there can be no assurance that such measures are foolproof and that no illegal immigrants will be found in the foreign construction workers' dormitory in the future.

In the event that the Group is found to be harbouring illegal immigrants and the Group's procedures in relation to verifying the immigration status of persons at the dormitories are found by the authorities to be inadequate, the Group and its officers may be subject to fines or imprisonment, or both.

- (h) The Group is exposed to the risk of banks enforcing their security over the Accommodation Assets

The Group may be required to obtain bank financing in connection with the Accommodation Business. As security for the grant of banking facilities, the Group may be required to execute a charge or encumbrance over the Accommodation Assets and/or its existing properties, assets and/or undertakings in favour of the lending financial institution. In an event of default, the financial institution may enforce the security over the Accommodation Assets and/or the Group's properties, assets and/or undertakings, which may lead to a significant disruption to the business and operations of the Group and the Group's operations and financial performance would accordingly be adversely affected.

- (i) The Accommodation Business operates in an industry that relies on the availability of sizeable amounts of capital for the acquisition or development of properties

Upon entry into the Accommodation Business, the Company's resources may increasingly be committed to the acquisition and/or the development of the workers' dormitories, which are capital intensive. One of the major factors that could affect the Group's ability to complete its acquisition and/or development of the workers' dormitories as planned is the adequacy of financing. The Group plans to finance projects relating to the Accommodation Business through a combination of its internal resources, bank borrowings, revenue generated from the Accommodation Business and may also consider participation by other parties in the business.

Additionally, the Accommodation Assets such as workers' and student dormitories may need to undergo renovation or redevelopment works from time to time to retain their competitiveness. This may then involve capital expenditure beyond the Group's current estimate for refurbishment, renovation and improvements.

Failure to obtain financing for projects or subsequent renovation or refurbishment works or refinancing of debt facilities on commercially acceptable terms when required may result in the Group not having adequate funds to fund its operations, refurbish or renovate the Accommodation Assets, or to service its financing obligations which would have a material adverse effect on the Group's financial position, results of operations, cash flows and prospects. Factors that could affect the Group's ability to procure financing include the Group's financial position, results of operations or cash flow, the cyclical nature of the Group's businesses and industries, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of credit.

Future credit facilities may contain covenants that require the creation of security interests over assets or limit the Group's flexibility in its operations or financing activities. Further, additional debt financing may include conditions that could restrict the Group's freedom to operate its business, such as conditions that:

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- (i) limit the Company's ability to pay dividends or require the Group to seek the lenders' consent for payment of dividends;
- (ii) impose restrictions on acquisitions of new businesses;
- (iii) require the Group to set aside a portion of cash flow from business operations towards repayment of debt, thereby reducing the availability of the Group's cash flow to fund capital expenditures, working capital and other general corporate purposes;
- (iv) increase the Group's vulnerability to general adverse economic and industry conditions; and/or
- (v) limit the Group's flexibility in planning for, or reacting to, changes in its businesses and industries.

There can be no assurance that the Group will be able to obtain any additional financing on terms that are acceptable to it, or at all, when required to meet its business requirements. Failure to obtain additional financing on favourable terms may materially and adversely affect the Group's operations and financial performance. This would also limit the Group's ability to pursue its growth plans and increase the Group's vulnerability to general adverse economic and industry conditions.

Breach of the abovementioned covenants could result in defaults under the relevant financing instruments. If the Group defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, this would have a material adverse effect on the Group's financial position, results of operations, cash flows and prospects.

- (j) Renovation or redevelopment works or physical damage to the Accommodation Assets may disrupt the operations and the collection of rental income or otherwise have an adverse impact on the Group

Any renovation or redevelopment works to be undertaken in respect of the Accommodation Assets from time to time to retain their competitiveness and or any unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop may disrupt the business and operations of the Accommodation Assets under the Accommodation Business and it may not be possible to collect the full or any rental income on (or fee income derived from managing) the space affected by such renovation or redevelopment works.

In addition, physical damage to the Accommodation Assets resulting from fire or other causes may lead to a significant disruption to the business and operations, and together with the foregoing, may impose unbudgeted costs and result in an adverse impact on the Group's business and financial performance.

- (k) The workers' dormitories operated by the Group may be affected by policy changes in geographical markets where the Group has a presence or operates in which reduces the number of foreign workers

The worker dormitory industry in geographical markets where the Group has a presence or operates in is dependent on the presence of a certain transient population of foreign workers in such geographical markets and is also subject to the policies (including those governing foreign worker levies and the granting of work permits) imposed by the relevant authorities, including without limitation the Ministry of Manpower in Singapore and other governmental bodies. Any change in such policies, for example changes which increases the foreign worker levies payable by companies employing foreign workers, or changes which reduces the number of work permits granted to foreign workers could result in a reduction of foreign workers. In addition,

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there could be pressure to reduce the number of foreign workers present to minimise any potential social problems that may arise with a large foreign worker presence. If such policy changes materialise, these could reduce the population of foreign workers leading to a reduced demand for the Group's workers' dormitories. This may adversely affect the Group's business and financial performance.

- (l) The Accommodation Business is subject to local government policies on the employment of foreigners

It is foreseen that the Accommodation Business will provide housing for foreign workers employed in geographical markets where the Group has a presence or operates in. As such, demand for the Group's services and dormitory will depend on the numbers of foreign workers in such geographical markets. The employers of these foreign workers may have to comply with the rules and conditions imposed by the immigration and other authorities of the different countries from where the foreign workers come from, with regard to the employment of these foreigners to work in such geographical markets. Any future changes to the policies of the immigration department of any country that restricts their travel and employment may adversely affect the numbers of foreigners of that nationality who are employed to work in such geographical markets. In the event that suitable replacements from other countries cannot be obtained, this may affect the number of foreign workers in such geographical markets, and hence the occupancy rate of the Group's workers' dormitories for foreign workers and adversely affect the Group's business and financial performance.

- (m) The Group may face competition from its competitors and new entrants

The Accommodation Business is highly competitive and such competition may increase in the near future due to the entry of new players. In the event the Group's competitors are able to provide comparable or better products or services at lower prices or respond to changes in market conditions more swiftly or effectively than the Group does, such that they are more successful at attracting and retaining tenants, the Group's operations and the results of its business and financial performance may be adversely affected. There can be no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by the Group to remain competitive will adversely affect the demand for the Group's products or services and the results of its business and financial performance.

- (n) Natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group

The operations of the Accommodation Business, in particular during the construction segment of projects and the day-to-day operations of the Accommodation Assets, may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group.

Such events could adversely affect the economies and financial markets of many countries including those in geographical markets where the Group has a presence or operates in and may have a material adverse effect on the Accommodation Business. These could include disruptions to the transportation of raw materials, as well as temporary closure of the Group's construction sites.

The day-to-day operations of the Accommodation Assets may also be adversely affected by such events. Riots or the outbreak of communicable diseases could result in the closure of the dormitory temporarily or even permanently and this would impact upon the Group's income stream and revenue generated from the Accommodation Business.

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The occurrence of such events would therefore have a material adverse effect on the Accommodation Business and adversely affect the financial condition and results of operations of the Group.

- (o) The Accommodation Business is dependent on the industries in which the Group's potential customers operate in

It is likely that the Accommodation Business will be dependent on the industries in which the Group's potential customers operate in. The Group's potential customers in relation to the Accommodation Business will likely include companies that rent the Group's dormitory units to house their foreign workers, and could comprise companies operating in the construction, marine, process and manufacturing industries in geographical markets where the Group has a presence or operates in. As such, the Group will be affected by the cyclical changes of such industries. A downturn in these industries may result in fewer construction, marine, process and manufacturing projects which may lead to a fluctuation of the number of foreign workers brought into the geographical markets where the Group has a presence or operates in to work on such projects. A downturn may also halt existing projects thereby causing existing foreign workers to be repatriated to their home countries due to a lack of suitable employment for them. This may adversely affect the Group's business and financial performance.

- (p) The Accommodation Business may be exposed to increases in property expenses and other operating costs

Factors that could increase the Accommodation Business' property expenses and other operating expenses include but are not limited to:

- (i) increases in property taxes and other statutory charges;
- (ii) changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- (iii) increase in insurance premiums;
- (iv) increase in the rate of inflation;
- (v) increase in labour costs;
- (vi) increase in repair and maintenance costs; and
- (vii) increase in management costs and utility charges.

Any increase in the Accommodation Business's property expenses and other operating expenses may have an adverse impact on the Group's business and financial performance.

- (q) The Group will be exposed to the risk of the occupants engaging in smuggling and/or any unlawful activity

The Group is required to ensure that the occupants residing at the Dormitory and such other Accommodation Assets in the future do not engage in smuggling and/or any unlawful activity such as, *inter alia*, being in possession of contraband tobacco, controlled substances or weapons. The Group will take the necessary precautions so as to detect and/or prevent such unlawful activities within the Dormitory and/or other Accommodation Assets by operating electronic surveillance systems to monitor the security and by conducting regular checks on the occupants and their living areas. However, there can be no assurance that such measures are foolproof and that the occupants do not engage in such unlawful activities within the premises.

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In the event that the occupants are found to be engaging in any unlawful activities that had gone undetected, and the Group's security and monitoring procedures for the detection and prevention of such unlawful activities are found by the authorities to be inadequate, the Group may be subject to the imposition of penalties which may adversely affect the business and financial performance of the Group.

- (r) The Accommodation Business may be affected by government policy changes which reduces the number of students and/or policies of educational institutions on the admission of students

The Group intends to operate the Accommodation Business in geographical markets where the Group has a presence or operates in, and the student Accommodation Asset industry is dependent on the presence of a certain population of foreign students in such markets, and is also subject to the policies (including, without limitation, those policies governing immigration, academic fees, student loans and the granting of student permits or visas) imposed by the Singapore and foreign governments and the educational institutions in such markets. Any change in immigration policies, policies affecting the subsidies in respect of academic fees or student loans, policies which reduces the number of student permits or visas granted to foreign students, or policies reducing the intake of students for any or all academic years for any reason could result in a reduction of foreign students and affect the student population. In the event that the number of students entering the geographical markets where the Group has a presence or operates in to pursue education decreases due to more restrictive entry conditions, there may be an oversupply of student Accommodation Assets, and the occupancy rate of the student Accommodation Assets as well as the Group's business and financial performance may be adversely affected.

- (s) The Accommodation Business may be affected by the Singapore government's exercise of the right to compulsorily acquire land in accordance with law

Under Singapore law, the Singapore government may compulsorily acquire all or any part of a property or properties for public purposes or various other reasons, and compensate the Group in respect of the properties, or part thereof, being compulsorily acquired. There is a risk that the compensation in respect of any such compulsory acquisition by the relevant regulatory authority will be less than the market value of the relevant property and/or the purchase consideration paid by the Group for the property or the carrying amount of the relevant property. This may adversely affect the Group's financial condition and the Group's results of operations and profitability. Further, there can be no assurance that the Group will be able to find a suitable alternative investment to replace the income loss in a timely manner, or at all, and this may have an adverse effect on the financial conditions, results of operations and profitability of the Group.

- (t) The Accommodation Business may be affected by changes in regulations relating to the student accommodation industry

As part of the Group's strategy for the Accommodation Business, the Group intends to locate the student Accommodation Assets within or in close proximity to educational institutions and accordingly, any change in zoning rules or regulations may adversely affect the business operations and consequently, the occupancy of the Group's student Accommodation Assets within or in close proximity to such education institutions. While the Group will conduct all reasonable due diligence investigations prior to the commencement of any project under the Accommodation Business, future investment and business decisions may accordingly not be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the Group's business and financial condition.

The student Accommodation Asset industry is subject to the laws and regulations of geographical markets where the Group has a presence or operates in. Any change in laws and regulations may require the Group to obtain fresh or additional regulatory



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approvals, permits, certificates, consents and/or licences to engage in the student Accommodation Business. In the event that the Group is unable to obtain such approvals and/or licences, or where there is a delay in obtaining them, the Group's ability to engage in the student Accommodation Business will be adversely affected.

- (u) The Accommodation Business may be affected by any drop in the reputation of educational institutions located in geographical markets where the Group has a presence or operates in

If, for whatever reason, the rankings of any educational institutions where the Group develops and/or operates student Accommodation Assets drops in the global educational rankings, there is a possibility that students may decide to enrol in other educational institutions with higher rankings instead. If the Group does not operate in the areas of such educational institutions with higher rankings and there is an outflow of students to such areas, this may in turn affect the occupancy rates of the Group's student Accommodation Assets and adversely affect the Group's business and financial condition.

- (v) The Accommodation Business may be subject to high maintenance costs

The Accommodation Business may be affected by high maintenance costs. Student Accommodation Assets generally have a high turnaround cost and experience above-average "wear and tear" on the dormitory units and/or facilities, which leads to higher maintenance and renovation costs for the Group. The increased rate of "wear and tear" would require increased amounts to be spent on renovation of the student Accommodation Assets within a shorter turnaround period in order to be ready for the next academic year. If not properly managed, this could have a material adverse effect on the Accommodation Business and the Group's financial condition and results of operations. Should the Group fail to provide adequate management and maintenance, the value of the Group's Accommodation Assets might be adversely affected and this may result in a loss of occupants, which will adversely affect the Group's financial position, results of operations, cash flows and prospects.

- (w) Losses or liabilities from latent building or equipment defects may adversely affect the Group's business and financial performance

The Group may require additional capital expenditure, special repair or maintenance costs or the payment of damages or other obligations to third parties for any design, construction or other latent property or equipment defects in the Group's Accommodation Assets from time to time. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings and cash flows. Further, statutory representations, warranties and indemnities given to the Group by any vendor of the Accommodation Assets or statutory or contractual representations, warranties and indemnities given to the Group by any supplier of equipment for the Accommodation Assets may not accord satisfactory protection from costs or liabilities arising from such property or equipment defects. If the Group is unable to repair any latent defects in the Accommodation Assets or carry out structural repairs, there may be an adverse impact on its ability to rent out the bed spaces and/or units at the Accommodation Asset, which will have an adverse impact on the Group's business and financial performance.

- (x) The Group may be affected by legal proceedings which may arise from the development of Accommodation Assets

The Group may be involved in disputes with various parties involved in the development of new Accommodation Assets or the upgrading of existing Accommodation Assets such as contractors, suppliers, construction companies and other third parties. Such disputes may lead to legal or arbitration proceedings, and may cause the Group to suffer additional costs and delays. In addition, the Group may be

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involved in the future in disputes or disagreements with regulatory bodies and the Group may be subject to administrative proceedings and unfavourable decrees that result in financial losses and delays in the construction or completion of the Group's projects or upgrading works.

(y) The Accommodation Business is dependent on the availability of land suitable for the development of Accommodation Assets

The Accommodation Business is dependent, in part, on the availability of land suitable for the development of workers' dormitories and student Accommodation Assets. The local government may implement measures to adjust macroeconomic policies to prevent and curtail the overheating of its economy, which may affect the real estate market that the Group is operating in. Additionally, the Group's ability to acquire land or licencing rights to develop such land for future development and the acquisition costs of such land will be affected by the policies of the local government toward land supply. There can be no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, or at all. If the Group is not able to identify and acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers in the workers' dormitories and student Accommodation Assets sectors and materially and adversely affect the Group's business and financial performance.

(z) The Proposed Diversification is subject to general risks associated with operating businesses outside Singapore

The Proposed Diversification is limited to geographical markets where the Group has a presence or operates in. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

(aa) The Group's performance following the Proposed Diversification will be subject to exposure to macro-economic risks

The markets in which the Group will operate the Accommodation Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interests rates and foreign currency exchange rates; and
- (vii) concerns over inflation.

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Any of the above-mentioned factors could adversely impact the performance of the Accommodation Business, which in turn may affect the Group's revenue, results of operations and/or financial condition.

(bb) The Group could be subject to foreign exchange exposure and currency fluctuations

In the event that operations of the Accommodation Business conducted by the Group is expanded to a different geographic jurisdiction, the Group may be subject to risks arising from foreign exchange fluctuations. The Group's revenue is denominated in Singapore Dollars while revenue generated from the Accommodation Business could be denominated in the currencies of the jurisdictions where the operations of the Group take place. Any unfavourable fluctuations in currency exchange rates will result in exchange losses arising from transactions carried out in foreign currencies and translations of foreign currency monetary assets and liabilities as at the end of the relevant reporting periods. If the exchange losses are substantial, it could have a negative impact on the Group's financial performance and financial condition.

(cc) The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate in pursuant to the Accommodation Business

The Group may establish or invest in foreign entities to carry out the Accommodation Business outside of Singapore. The Group's foreign entities which may be engaged in the Accommodation Business may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing from time to time.

(dd) The Group may be subject to various government regulations of the respective countries in which it intends to operate the Accommodation Business

The Accommodation Business in geographical markets where the Group may operate in may be subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, property development, addition and alteration works and building works. If the Group fails to obtain the requisite approvals in the relevant country, it will be unable to undertake the Accommodation Business in such country. The Group must also comply with the applicable laws and regulations in the Accommodation Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its Accommodation Assets which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the business and financial performance of the Group. There can also be no assurance that the licences, approvals and agreements will be renewed upon their expiration on commercially reasonable terms, if at all.

### 3.8 Requirements under Chapter 10 of the Listing Manual

Rule 1002(1) of the Listing Manual provides that a "transaction" generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Pursuant to Practice Note 10.1 of the Listing Manual, an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10.1 of the Listing Manual on what consists of "existing principal business" and "change of risk profile".

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## LETTER TO SHAREHOLDERS

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As the Accommodation Business will involve a new business area which is not part of the Company's existing principal business, it is envisaged that the Accommodation Business may change the existing risk profile of the Group. Accordingly, the Directors are convening the EGM to seek Shareholders' approval for the Proposed Diversification, in addition to seeking Shareholders' approval for the Proposed Transaction as the First Major Transaction involving the Accommodation Business.

Upon approval by the Shareholders of the Proposed Diversification, any transaction which is in, or in connection with, the Accommodation Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Listing Manual will not apply to transactions in the Accommodation Business which are within the Company's existing principal business for so long as it is in the ordinary course of business or of a revenue nature.

Pursuant to Rule 1014 of the Listing Manual, a Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20% an announcement of the prescribed information pursuant to Rule 1010 of the Listing Manual will also be required.

The Proposed Diversification will thus allow the Group, in its normal course of business, to enter into transactions relating to the Accommodation Business in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the Accommodation Business or are of a revenue nature arise, even when such transactions cross the thresholds of a Major Transaction. This will substantially reduce the administrative time and expenses incurred in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding that Shareholders' approval for the Proposed Diversification has been obtained, in respect of transactions relating to the Accommodation Business:

- (a) in the event that the Proposed Acquisition is not approved by Shareholders at the EGM or is not completed under the terms of the Sale and Purchase Agreement, the subsequent First Major Transaction or Aggregated Transaction under the Accommodation Business will be conditional on Shareholders' approval in accordance with the SGX-ST's Recommended Practice;
- (b) the Company will make immediate announcement and disclosure pursuant to and in compliance with Rule 704(17) of the Listing Manual for any acquisition of (i) shares resulting in the Company holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings of a quoted company; and (ii) quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets;
- (c) Rule 1015 of the Listing Manual will apply to an acquisition of assets (whether or not the acquisition is deemed in the Company's ordinary course of business, which will include the Accommodation Business if the Proposed Diversification is approved by Shareholders) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual is 100% or more, or which results in a change in control of the Company. Such transactions must be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (d) Chapter 9 of the Listing Manual will apply to a transaction which constitutes an "interested person transaction" as defined under the Listing Manual, and the Company will comply with the provisions of Chapter 9 of the Listing Manual;

## LETTER TO SHAREHOLDERS

- (e) in light of Practice Note 10.1 of the Listing Manual, if a transaction changes the risk profile of the Company such as an expansion of the Group's business to a new jurisdiction that will expose the Company to significant new risks, Shareholders' approval may be sought for such transaction; and
- (f) the Company will be required to comply with any applicable and prevailing rules under the Listing Manual as amended or modified from time to time.

#### 4 INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

##### 4.1 Shareholding Interests of Directors

As at the Latest Practicable Date, the direct and deemed interests of the Directors in the Shares of the Company, based on information recorded in the Register of Director's Shareholdings maintained by the Company, are as follows:

| Name of Director  | Number of Shares Held |                 |                | %( <sup>1</sup> ) |
|---|-----------------------|-----------------|----------------|-------------------|
|   | Direct Interest       | Deemed Interest | Total Interest |                   |
| Tan Kheng Hwee Andrew <sup>(2)</sup>                            | 17,250,474            | 228,400         | 17,478,874     | 5.422             |
| Voon Yok Lin  | 16,690,000            | -               | 16,690,000     | 5.177             |
| Bruno Sergio Valsangiacomo <sup>(3)</sup>                       | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Pietro Brenni   | -                     | -               | -              | -                 |
| Lim Boon Cheng  | -                     | -               | -              | -                 |
| Chan Mun Wei  | -                     | -               | -              | -                 |
| Karen Lee Kiah Ling   | -                     | -               | -              | -                 |
| Voon Chet Chie<br>(Alternate Director to Voon Yok Lin)          | -                     | -               | -              | -                 |
| Romano William Fanconi<br>(Alternate Director to Pietro Brenni) | 80,000                | -               | 80,000         | 0.025             |

**Notes:**

- (1) Based on the Company's total issued share capital of 322,386,218 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr Tan Kheng Hwee Andrew is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (3) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBR Holding AG by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.. See also Notes (2) and (3) under Section 4.2 of this Circular.

## LETTER TO SHAREHOLDERS

### 4.2 Shareholding Interests of Substantial Shareholders

As at the Latest Practicable Date, the direct and deemed interests of the Substantial Shareholders in the Shares of the Company, based on information of recorded in the Register of Substantial Shareholders maintained by the Company, are as follows:

| Name of Substantial Shareholder                  | Number of Shares Held |                 |                | %( <sup>1</sup> ) |
|--|-----------------------|-----------------|----------------|-------------------|
|  | Direct Interest       | Deemed Interest | Total Interest |                   |
| BBR Holding AG                                   | 85,632,978            | -               | 85,632,978     | 26.562            |
| Tectus S.A. <sup>(2)</sup>                       | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Claudia Valsangiacomo-Brandestini <sup>(3)</sup> | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Bruno Sergio Valsangiacomo <sup>(4)</sup>        | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Vesna Eckert- Brandestini <sup>(3)</sup>         | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Nick Brandestini <sup>(3)</sup>                  | -                     | 85,632,978      | 85,632,978     | 26.562            |
| Tan Kheng Hwee Andrew <sup>(5)</sup>             | 17,250,474            | 228,400         | 17,478,874     | 5.422             |
| Voon Yok Lin <sup>(6)</sup>                      | 16,690,000            | -               | 16,690,000     | 5.177             |
| Chiu Hong Keong or Khoo Yok Kee <sup>(7)</sup>   | 26,160,700            | 40,000          | 26,200,700     | 8.127             |
| ZYG Investment Pte Ltd                           | 19,408,500            | -               | 19,408,500     | 6.02              |
| Lau Kah Soon <sup>(8)</sup>                      | -                     | 19,408,500      | 19,408,500     | 6.02              |
| Tan See Choy <sup>(8)</sup>                      | -                     | 19,408,500      | 19,408,500     | 6.02              |

**Notes:**

- (1) Based on the Company's total issued share capital of 322,386,218 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Tectus S.A. is deemed to have interests in the Shares held by BBR Holding AG by virtue of its holding in aggregate not less than 20% of the voting shares of BBR Holding AG.
- (3) Mrs Claudia Valsangiacomo-Brandestini, Ms Vesna Eckert-Brandestini and Mr Nick Brandestini are each deemed to have an interest in the Shares held by BBR Holding AG by virtue of each of them holding not less than 20% of the voting shares of Tectus S.A.
- (4) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBR Holding AG by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.
- (5) The Shares of Mr Tan Kheng Hwee Andrew are held in the name of DBS Nominees Pte Ltd. He is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (6) The Shares of Mr Voon Yok Lin are held in the name of Citibank Nominees Singapore Pte Ltd.
- (7) Mr Chiu Hong Keong or Ms Khoo Yok Kee are deemed to have an interest in the Shares held by their son, Mr Chiu Wei Wen.
- (8) Mr Lau Kah Soon is the spouse of Mdm Tan See Choy. Mr Lau Kah Soon and Mdm Tan See Choy are the shareholders of ZYG Investment Pte Ltd, each holding 50% of the shares in ZYG Investment Pte Ltd.

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## LETTER TO SHAREHOLDERS

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### 4.3 Interest in the Proposed Transaction and the Proposed Diversification

As at the Latest Practicable Date, 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).

As disclosed in Section 2.4 above, Seow Chin Heng, Adrian was until 16 October 2023 an Independent Non-Executive Director of the Company and as at the Latest Practicable Date, has been a director of the Target since 1 August 2019, and an employee within the Vendor's corporate group.

The Company had become aware of the potential divestment of the Vendor's interest in the Target through Seow Chin Heng, Adrian on or around August 2023, who had disclosed to the Board his interests in the Target in accordance with the Companies Act. Following the preliminary determination by the Board that the pursuit of the Proposed Acquisition was viable and in the interests of the Company, Seow Chin Heng, Adrian resigned from the Board with effect from 16 October 2023 in order to avoid any conflict of interest and in view of the requirements of his employer.

### 5 SHAREHOLDER UNDERTAKINGS

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 owns 85,632,978 Shares, representing approximately 26.56% of the total number of issued Shares;
- (b) Tan Kheng Hwee Andrew, who owns 17,478,874 Shares, representing approximately 5.42% of the total number of issued Shares; and
- (c) Voon Yok Lin, who owns 16,690,000 Shares, representing approximately 5.18% of the total number of issued Shares.

### 6 DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the terms and rationale for the Proposed Transaction, the Proposed Diversification and all other relevant information set out in this Circular, the Directors are of the view that the Proposed Transaction and the Proposed Diversification are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the following ordinary resolutions relating thereto to be proposed at the EGM:

- (a) the Proposed Transaction; and
- (b) the Proposed Diversification.

### 7 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 3 June 2024 at 4.00 p.m., for the purpose of considering and, if thought fit, passing with or without any modification(s), the Ordinary Resolutions set out in the Notice of EGM.



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## LETTER TO SHAREHOLDERS

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### 8 ACTION TO BE TAKEN BY SHAREHOLDERS

#### 8.1 Submission of Proxy Forms to Vote

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote in his place or on his behalf, he should complete, sign and return the Proxy Form appended in this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126, not less than 48 hours before the time appointed for holding the EGM. The Proxy Form must be submitted in the following manner:

- (a) if submitted via email, be sent to [egm2024@bbr.com.sg](mailto:egm2024@bbr.com.sg); or
- (b) if submitted by post, must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126,

in either case, by **4.00 p.m. on 31 May 2024**, being no later than 72 hours before the time fixed for the EGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

A member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory. CPF Investors and/or SRS Investors who wish to attend the EGM in person or appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 4.00 p.m. on 23 May 2024**.

The completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the EGM if he/she so wishes. Any appointment of a proxy or proxies shall be revoked if a member subsequently attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy to the EGM.

#### 8.2 Submission of Questions

Shareholders can ask questions relating to the resolutions to be tabled for approval at the EGM in the following manner:

- (a) in hard copy by post, to be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126;
- (b) by electronic means via emails to [egm2024@bbr.com.sg](mailto:egm2024@bbr.com.sg); and
- (c) in person at the EGM.

When submitting questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders: (i) full name/full company name (as per CDP/SRS/Scrip-based records); (ii) NRIC/FIN/Passport No./UEN; (iii) current address; (iv) contact number; and (v) number of Shares held. Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP or SRS).

Persons who hold Shares through Relevant Intermediaries (as defined under Section 181(6) of the Companies Act) (other than CPF Investors or SRS Investors) should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.

Shareholders are encouraged to submit their questions before **4.00 p.m. on 24 May 2024** (the "**Cut-Off Time**"), as this will allow the Company sufficient time to address and respond to these



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## LETTER TO SHAREHOLDERS

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questions either on or before **4.00 p.m. on 29 May 2024** (being 48 hours prior to the closing date and time for the lodgement of the Proxy Forms). The responses will be published before the EGM on SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at [https://bbr.listedcompany.com/agm\\_egm.html](https://bbr.listedcompany.com/agm_egm.html).

The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolutions to be tabled for approval at the EGM) received after the Cut-Off Time which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM, during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

### 8.3 Circular, Notice of EGM, Proxy Form and Request Form

The Circular, Notice of EGM, Proxy Form and Request Form have been made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's website at <https://bbr.listedcompany.com/egm.html>. **Printed copies of this Circular will not be sent to Shareholders.** Only printed copies of the Notice of EGM, Proxy Form and Request Form will be sent to Shareholders by post.

A Shareholder who wishes to obtain a printed copy of the Circular may do so by completing and submitting the Request Form sent to him/her/it by post to the Company's Share Registrar via email at [corpcomm@bbr.com.sg](mailto:corpcomm@bbr.com.sg) by no later than **24 May 2024**.

### 8.4 Depositor not Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his or her name appears on the Depository Register maintained by CDP at least 72 hours before the time fixed for the EGM.

## 9 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, the Proposed Diversification and the Group in relation to the Proposed Transaction and the Proposed Diversification, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## 10 CONSENT

The Independent Valuer has given and has not withdrawn its consent to the issue of this Circular with the inclusion of its name, the Valuation Certificate, the Valuation Report and all references thereto in the form and context in which they appear in this Circular.

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## LETTER TO SHAREHOLDERS

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### 11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126, during office hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2023;
- (c) the Sale and Purchase Agreement;
- (d) the Shareholders' Agreement;
- (e) the Management Services Agreement;
- (f) the Valuation Certificate issued by the Independent Valuer;
- (g) the Valuation Report issued by the Independent Valuer; and
- (h) the consent letter of the Independent Valuer, referred to in Section 10 of this Circular.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**BBR Holdings (S) Ltd**

Tan Kheng Hwee Andrew  
Executive Director and Chief Executive Officer

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**LETTER TO SHAREHOLDERS**

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**APPENDIX A**

**VALUATION CERTIFICATE**

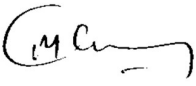

# VALUATION CERTIFICATE



| <b>Property Address</b>           | <b>Homestay Lodge</b><br>21/23/25/27/29 Kaki Bukit Avenue 3, Singapore 415921/2/3/4/5<br>31/33/35/37 Kaki Bukit Avenue 3, Singapore 415916/7/8/9<br>39 Kaki Bukit Avenue 3, Singapore 415920  |                                |             |             |           |              |                 |           |               |                 |
|-----------------------------------|---|--------------------------------|-------------|-------------|-----------|--------------|-----------------|-----------|---------------|-----------------|
| <b>Valuation Prepared For</b>     | BBR Holdings (S) Limited  |                                |             |             |           |              |                 |           |               |                 |
| <b>Purpose of Valuation</b>       | Mortgage and potential acquisition  |                                |             |             |           |              |                 |           |               |                 |
| <b>Legal Description</b>          | Lots 5932A and 5933K, both Mukim 23   |                                |             |             |           |              |                 |           |               |                 |
| <b>Tenure</b>                     | Leasehold 30 years commencing from 1 July 1999 (balance un-expired lease of approximately 5.5 years and 5.4 years as at 31 December 2023 and 31 January 2024 respectively)  |                                |             |             |           |              |                 |           |               |                 |
| <b>Registered Proprietor</b>      | JSCL Investments Pte. Ltd.  |                                |             |             |           |              |                 |           |               |                 |
| <b>Brief Description</b>          | <p>The subject property is located in the Kaki Bukit industrial area, on the eastern part of Kaki Bukit Avenue 3, bounded by Kaki Bukit Road 6, and some 13 kilometres from the City Centre.</p> <p>It comprises five blocks of 8-storey and 2 blocks of 7-storey foreign workers' dormitory for a total of 5,888 workers, a single storey block housing a minimart and communal cooking facilities, a 2-storey admin block and a 3-storey block housing a canteen, barber shop, gym and multi-purpose hall which is converted from carpark.</p> <p>We understand that the subject property obtained its Temporary Occupational Permit (TOP) and Certificate of Statutory Completion (CSC) as follow:</p> <table border="1" data-bbox="574 884 1422 982"> <thead> <tr> <th>Land Lot<br/>(Both of Mukim 23)</th> <th>Date of TOP</th> <th>Date of CSC</th> </tr> </thead> <tbody> <tr> <td>Lot 5932A</td> <td>13 July 2001</td> <td>15 January 2002</td> </tr> <tr> <td>Lot 5933K</td> <td>18 March 2002</td> <td>29 October 2003</td> </tr> </tbody> </table> | Land Lot<br>(Both of Mukim 23) | Date of TOP | Date of CSC | Lot 5932A | 13 July 2001 | 15 January 2002 | Lot 5933K | 18 March 2002 | 29 October 2003 |
| Land Lot<br>(Both of Mukim 23)    | Date of TOP   | Date of CSC                    |             |             |           |              |                 |           |               |                 |
| Lot 5932A                         | 13 July 2001  | 15 January 2002                |             |             |           |              |                 |           |               |                 |
| Lot 5933K                         | 18 March 2002   | 29 October 2003                |             |             |           |              |                 |           |               |                 |
| <b>Site Area</b>                  | <p>The subject property appeared to be in an average condition as at date of our site inspection</p> <p>18,614.7 sm or thereabouts (comprises Lot 5932A Mukim 23 of 9,396.9 sm and Lot 5933K Mukim 23 of 9,217.8 sm), subject to government's re-survey</p>   |                                |             |             |           |              |                 |           |               |                 |
| <b>Gross Floor Area</b>           | The existing gross floor area (excluding the tentage for temporary sick bay beds) is approximately 30,524.4 sm, as provided by the Client and subject to final survey   |                                |             |             |           |              |                 |           |               |                 |
| <b>Lettable Floor Area</b>        | The lettable floor area for the commercial space is about 1,229.0 sm, as provided by the Client and subject to final survey   |                                |             |             |           |              |                 |           |               |                 |
| <b>Master Plan (2019)</b>         | Civic and Community Institution   |                                |             |             |           |              |                 |           |               |                 |
| <b>Land Rent</b>                  | \$2,804,759 per annum   |                                |             |             |           |              |                 |           |               |                 |
| <b>Permitted Use</b>              | For Dormitory Housing Development only  |                                |             |             |           |              |                 |           |               |                 |
| <b>Basis of Valuation</b>         | As-Is Basis, subject to existing tenancies  |                                |             |             |           |              |                 |           |               |                 |
| <b>Valuation Approaches</b>       | Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method, with Cost Method as a check   |                                |             |             |           |              |                 |           |               |                 |
| <b>Material Date of Valuation</b> | 31 December 2023 and 31 January 2024  |                                |             |             |           |              |                 |           |               |                 |
| <b>Capitalisation Rate</b>        | 8.50%   |                                |             |             |           |              |                 |           |               |                 |
| <b>Discount Rate</b>              | 9.50%   |                                |             |             |           |              |                 |           |               |                 |



# VALUATION CERTIFICATE

|   |  |
|---|--|
| <b>Recommended Market Value</b>                                       | <b>Market Value as at 31 December 2023 - \$64,000,000</b><br>(Singapore Dollars Sixty-Four Million Only)   |
|   | <b>Market Value as at 31 January 2024 - \$63,500,000</b><br>(Singapore Dollars Sixty-Three Million And Five Hundred Thousand Only)   |
| <b>Estimated Reinstatement Cost<br/>(For Fire Insurance Purpose)</b>  | <b>\$84,200,000</b>  |
| <b>Assumptions, Disclaimers,<br/>Limitations &amp; Qualifications</b> | This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report referenced V/2024/300/CORP dated 28 March 2024 and also the limiting conditions herein. |
| <b>Prepared by</b>  |   |
|   | Cynthia Ng   |
|   | Licensed Appraiser No. AD041-2003388A  |
|   | Savills Valuation And Professional Services (S) Pte Ltd  |
|   |   |
|   | Cynthia Soo  |
|   | Licensed Appraiser No. AD041-2006556K  |
|   |  |

This valuation is exclusive of Goods and Services Tax.

**To any party relying on this report we advise that this valuation certificate must be read in conjunction with the full valuation report. This valuation certificate should not be relied upon in isolation for any other purposes.**

CS/CN/ds

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

|                                     |   |
|-------------------------------------|---|
| <b>Valuation Standards:</b>         | The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.  |
| <b>Valuation Basis:</b>             | <p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>   |
| <b>Currency of Valuation:</b>       | Values are reported in local currency unless otherwise stated.  |
| <b>Confidentiality:</b>             | Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.   |
| <b>Copyright:</b>                   | Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.   |
| <b>Limitation of Liability:</b>     | <p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>  |
| <b>Validity Period:</b>             | This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.                   |
| <b>Titles:</b>                      | A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments. |
| <b>Planning Information:</b>        | Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.          |
| <b>Other Statutory Regulations:</b> | Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.   |
| <b>Site Condition:</b>              | We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.   |
| <b>Condition of Property:</b>       | While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.  |
| <b>Source of Information:</b>       | Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.                             |
| <b>Floor Areas:</b>                 | We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.  |
| <b>Plans:</b>                       | Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.  |
| <b>Tenant:</b>                      | No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.  |
| <b>Reinstatement Cost:</b>          | Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.  |
| <b>Attendance in Court:</b>         | Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.  |

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 17 May 2024 issued by BBR Holdings (S) Ltd ("**Circular**").*

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("**EGM**") of BBR Holdings (S) Ltd (the "**Company**") will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 3 June 2024 at 4.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions.

**ORDINARY RESOLUTION 1: THE PROPOSED ACQUISITION OF 49% OF THE SHARES IN JSCL INVESTMENTS PTE. LTD. AND ENTRY INTO THE SHAREHOLDERS' AGREEMENT IN RESPECT OF JSCL INVESTMENTS PTE. LTD. FOR A TOTAL CONSIDERATION OF S\$30,436,120 ("PROPOSED TRANSACTION")**

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolution 2:

- (a) approval be and is hereby given for the Company to enter into the Proposed Transaction, upon the terms and conditions of the Sale and Purchase Agreement and the Shareholders' Agreement;

and for these purposes:

- (b) the Directors of the Company and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents and ancillary agreements, including but not limited to the entry into the Management Services Agreement for the provision of Property Management Services, and making all such amendments thereto as may be required in connection with the Proposed Transaction) as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Transaction; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Proposed Transaction and this Resolution be and are hereby approved, confirmed and ratified.

**ORDINARY RESOLUTION 2: THE PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS TO INCLUDE THE ACCOMMODATION BUSINESS**

RESOLVED THAT:

- (a) approval be and is hereby given for the diversification by the Group of its Existing Business to include the Accommodation Business;
- (b) the Group be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Accommodation Business on such terms and conditions as the Directors deem fit, and the Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Diversification as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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BY ORDER OF THE BOARD

Liew Meng Ling  
Company Secretary

Singapore, 17 May 2024



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NOTES:

1. The members of the Company are invited to **attend physically** at the EGM. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice, the accompanying Proxy Form and Request Form will be sent to members and will be made available on the Company's website at <https://bbr.listedcompany.com/egm.html> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.
2. Members (including Central Provident Fund Investment Scheme investors ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the EGM by:
  - (a) attending the EGM in person;
  - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
  - (c) voting at the EGM
    - (i) themselves personally; or
    - (ii) through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to attend the EGM in person or appoint the Chairman of the EGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 5.00 p.m. on 23 May 2024.**

Please bring along your NRIC/passport to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant Intermediary**" means

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the CPF Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
5. A member can appoint the Chairman of the EGM as his/her/its proxy **but this is not mandatory.**
  6. The Proxy Form must be submitted in the following manner:
    - (a) if submitted via email, be sent to [egm2024@bbr.com.sg](mailto:egm2024@bbr.com.sg); or
    - (b) if submitted by post must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126,

in either case, by **4.00 p.m. on 31 May 2024**, being no later than 72 hours before the time fixed for the EGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

The instrument appointing a proxy(ies) must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at 72 hours before the time set for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the EGM if he/she so wishes. Any appointment of a proxy or proxies shall be revoked if a member subsequently attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy to the EGM.

7. Members may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. For members who would like to submit questions in advance of the EGM, they may do so by **4.00 p.m. on 24 May 2024**:
- (a) by email to [egm2024@bbr.com.sg](mailto:egm2024@bbr.com.sg); or
  - (b) by post to the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126.

Members submitting questions are requested to state: (i) their full name; (ii) the member's identification/ registration number; (iii) their contact numbers and email addresses; and (iv) the manner in which they hold Shares in the Company (e.g. via CDP, CPF or SRS), failing which the Company shall be entitled to regard the submission as invalid. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline on the Company's website and SGXNet by **4.00 p.m. on 29 May 2024** being at least 48 hours before the deadline for submission of the Proxy Form.

8. For questions received after 24 May 2024, the Company will endeavour to address all substantial and relevant questions submitted by members during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses to such questions together with the minutes of the EGM on SGXNet and the Company's website at [https://bbr.listedcompany.com/agm\\_egm.html](https://bbr.listedcompany.com/agm_egm.html) within one (1) month after the date of the EGM.
9. Members are reminded to check SGXNet for any latest updates on the status of the EGM.

### Personal Data Privacy:

By attending the EGM, submitting questions in advance of the EGM and/or submitting an instrument appointing a proxy(ies) (including the Chairman of the EGM) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PROXY FORM



### HOLDINGS (S) LTD

UEN: 199304349M

(Incorporated in the Republic of Singapore)

#### Important:

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore may appoint more than two (2) proxies to attend, speak and vote at the EGM.
2. This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors who wish to attend and vote at the EGM should contact their CPF/SRS Approved Nominee (as may be applicable).

## PROXY FORM

**IMPORTANT: PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

\*I/We (Name) \_\_\_\_\_ NRIC No./Passport No./UEN: \_\_\_\_\_

of (Address) \_\_\_\_\_

being a \*member/members of **BBR HOLDINGS (S) LTD** ("**Company**"), hereby appoint

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address |                   |                             |   |

\*and/or

| Name    | NRIC/Passport No. | Proportion of Shareholdings |   |
|---------|-------------------|-----------------------------|---|
|         |                   | No. of Shares               | % |
| Address |                   |                             |   |

or failing \*him/her/they, or if no person is named above, hereby appoint the Chairman of the EGM as \*my/our proxy/proxies to vote for \*me/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 3 June 2024 at 4:00 p.m. and at any adjournment thereof.

\*I/we direct \*my/our \*proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the EGM as indicated below. If no specific direction as to voting is given or in the event of any matter arising at the EGM, \*my/our \*proxy/proxies will vote or abstain from voting at \*his/her own discretion.

| No | Ordinary Resolution   | For <sup>#</sup> | Against <sup>#</sup> | Abstain <sup>#</sup> |
|----|---|------------------|----------------------|----------------------|
| 1. | To approve the Proposed Acquisition of 49% of the shares in JSCL Investments Pte. Ltd. and entry into the Shareholders' Agreement in respect of JSCL Investments Pte. Ltd. for a Total Consideration of S\$30,436,120 |                  |                      |                      |
| 2. | To approve the Proposed Diversification of the Existing Business to include the Accommodation Business  |                  |                      |                      |

\* Delete where applicable

<sup>#</sup> Voting will be conducted by poll. If you wish to exercise all your votes "**For**" or "**Against**" or "**Abstain**" a resolution, please indicate with a "**X**" within the box provided in respect to the resolution. Alternatively, please indicate the number of votes within the box in respect of that resolution. If no specific direction as to voting is given in respect of a resolution, the proxy/proxies may vote or abstain from voting at his/her/their discretion as he/she/they deem fit on any of the resolutions, and on any other matter arising at the EGM and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

| Total number of shares held in |  |
|--------------------------------|--|
| Depository Register            |  |
| Register of Members            |  |

\_\_\_\_\_  
Signature(s) of the Shareholder(s)/  
Common Seal of Corporate Shareholder

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## PROXY FORM

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### Notes:

1. Member should insert the total number of shares held.
- 1.1 If the member has shares entered in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), please insert that number of shares.
- 1.2 If the member has shares registered in the Register of Members, please insert that number of shares.
- 1.3 If the member has shares entered in the Depository Register and shares registered in the Register of Members, please insert the aggregate number of shares entered in the Depository Register and registered in the Register of Members.
- 1.4 If no number of shares is inserted, the Proxy Form shall be deemed to relate to all the shares held by the member.
2. This Proxy Form is not valid for use by CPF / SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. A CPF / SRS investor who wishes to vote should instead approach his/her CPF Agent Banks / SRS Operators as soon as possible to specify his/her voting instructions at least 7 working days before the date of the EGM to submit his/her vote.
3. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
4. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. "Relevant Intermediary" has the meaning ascribed to in Section 181(6) of the Companies Act 1967 of Singapore.
5. The Proxy Form must be under the hand of the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The duly executed Proxy Forms must be submitted to the Company in the following manner, not less than seventy-two (72) hours before the time appointed for holding the EGM:
  - (a) if submitted by post, must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126; or
  - (b) if submitted electronically, be sent by email to [egm2024@bbr.com.sg](mailto:egm2024@bbr.com.sg).A member who wishes to submit hard copy of the Proxy Form, must complete with specific voting instructions and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form.
9. In the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such member is not shown to have shares entered in the Depository Register as at seventy-two (72) hours before the time appointed for the holding of the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy

By submitting the Proxy Form, the member is deemed to have accepted and agreed to the personal data privacy terms as set out in the Notice of EGM dated 17 May 2024. "Personal data" in the Proxy Form has the same meaning as "personal data" in the Personal Data Protection Act 2012.

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|                           |
|---------------------------|
| Affix<br>postage<br>stamp |
|---------------------------|

The Company Secretary  
**BBR HOLDINGS (S) LTD**  
50 Changi South Street 1,  
BBR Building,  
Singapore 486126