偉合控股有限公司

WEE HUR HOLDINGS LTD.
(Company Registration Number 200619510K)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS FOR FULL YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Wee Hur Holdings Ltd (the "**Company**") together with its subsidiaries (the "**Group**") wishes to announce the response to queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email of 3 March 2020 on the Company's unaudited financial statements for full year ended 31 December 2019 ("**FY2019**") released to the SGX-ST on 28 February 2020 as follows:

Query 1:

In Note (B) of the consolidated statement of comprehensive income:

a. A fair value gain on derivative financial instrument was noted for the year ended 31 December 2019 of $2.3mil compared to a loss noted of $1.9mil for 2018. What derivative financial instruments do the Company hold and elaborate on the factors that resulted in the loss noted in 2018 and the gain noted in 2019.

b. A currency exchange loss of $11.1mil was noted for the year ended 31 December 2019. Please elaborate on the factors that resulted in the significant forex loss and include the amounts of the underlying transactions and corresponding forex rates.

Response:

1a. The gain of $2.3 million was due to fair value changes on foreign currency forward contracts. Currency forward contracts are used to hedge the Group's exposure to foreign currency exchange risk arising from the Group's investment in Australia which are denominated in Australian Dollar ("**AUD**").

1b. The Group has transactional currency exposures arising from purchases and inter-company loans which are mainly denominated in AUD as compared to the Group's functional currency which is denominated in Singapore Dollar ("**SGD**"). The average AUD historical exchange rate of the inter-company loans was 1.023 as compared to the closing exchange rate of 0.943 as at 31 December 2019.

Query 2:

In the consolidated statement of financial position:

a. We noted a significant increase in "Investment properties" by 63% to $517,284k as at 31 December 2019. Please disclose the specific details of the additions of investments properties in Australia that resulted in the increase.

b. We noted a significant increase in "Other payables" of 44% to $140,295k as at 31 December 2019. Please disclose the breakdown, including the comparative figures, and explain any material increases.

Response:

2a. The movement of investment properties is as follows:

	Singapore $'000	Australia $'000	Total $'000
Group			
2019			
Cost			
Beginning of financial year	69,908	307,780	377,688
Additions	3,644	150,914	154,558
Adoption of SFRS(I) 16	69,483	–	69,483
Adoption of SFRS(I) 1-23	–	2,395	2,395
Currency translations differences	–	(7,805)	(7,805)
End of financial year	143,035	453,284	596,319
Accumulated depreciation			
Beginning of financial year	58,379	2,543	60,922
Additions	6,288	7,553	13,841
Adoption of SFRS(I) 16	4,272	–	4,272
End of financial year	68,939	10,096	79,035
Net book value			
Beginning of financial year	11,529	305,237	316,766
End of financial year	**74,096**	**443,188**	**517,284**

The Group adopted the new or revised Singapore Financial Reporting Standards (international) ("**SFRS(I)s**") - *SFRS(I) 16* Leases and *SFRS(I) 1-23* Borrowing costs eligible for capitalisation during FY2019 which resulted in a net of $67.6 million.

In May 2019, the Group had announced the completion of the acquisition of freehold land located at Gibbons street, Sydney, Australia for a total consideration of A$52 million. The remaining additions were the progressive construction costs for all the ongoing purpose-built student accommodation ("**PBSA**") developments in major cities of Australia, namely Brisbane, Adelaide, Melbourne and Sydney.

2b. The breakdown of other payables, including the comparative figures is as follows:

	Group	
	2019	2018
	$'000	$'000
Other payables – non-current		
Loan payables to related parties		
Beginning of financial year	95,464	76,646
Additions	42,831	18,818
End of financial year	138,295	95,464
Provision		
Beginning of financial year	2,000	2,000
Additions	–	–
End of financial year	2,000	2,000
	140,295	**97,464**

Loan payables to related parties are interest free loans granted by related parties' stapled proportion to the units subscribed by them in relation to a placement exercise that aligned with the Group's intent of building up a PBSA portfolio in Australia. The loan is repayable on 30 June 2022.

Query 3:

In the consolidated statement of cash flows, we noted "Dividends paid to non-controlling interests" of $12mil. Please elaborate on what this amount relates to and to who it was paid to. Will the Company's shareholders receive their proportionate dividends as well?

Response:

The Company's 60%-owned subsidiary, Wee Hur (Woodlands 12) Pte. Ltd. ("**WHW12**") had declared an interim dividend of $30 million during FY2019 to its shareholders. Accordingly, the Company and the non-controlling interests had received their proportionate share of dividends of $18 million and $12 million respectively from WHW12.

The Board of Directors of the Company had recommended a final dividend of $0.005 per share to the Company's shareholders. Together with the interim dividend of $0.003 per share paid on 6 September 2019, the total dividend declared by the Company for FY2019 is $0.008 per share.

By Order of the Board

Goh Yeow Lian
Executive Chairman and Managing Director
5 March 2020