

CIRCULAR DATED 11 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of EGM (as defined in this Circular) and the attached Proxy Form (as defined in this Circular) to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular. The approval of the SGX-ST shall not be taken as an indication of the merits of the Proposed Corporate Actions (as defined in this Circular), the Company and/or its subsidiaries.



偉合控股有限公司

WEE HUR HOLDINGS LTD.

(UEN: 200619510K)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE FUND MANAGEMENT BUSINESS AND THE ALTERNATIVE INVESTMENT BUSINESS;**
- (2) THE PROPOSED DISPOSAL OF 7,500 ORDINARY SHARES REPRESENTING 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACTIVE SYSTEM DEVELOPMENT PTE. LTD. FOR A CONSIDERATION OF S\$7,500 AS AN INTERESTED PERSON TRANSACTION;**
- (3) THE PROPOSED JOINT VENTURE IN ACTIVE SYSTEM DEVELOPMENT PTE. LTD. AMONGST WEE HUR DORMITORY PTE. LTD., WM DORMITORY (SOON LEE) PTE. LTD. AND TS MANAGEMENT SERVICES PTE. LTD. AND THE PROVISION OF SHAREHOLDERS’ LOANS IN THE AGGREGATE VALUE OF S\$33,180,000 AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) THE PROPOSED PROVISION OF SERVICES BY THE GROUP TO ACTIVE SYSTEM DEVELOPMENT PTE. LTD. IN RELATION TO THE PROPOSED JOINT VENTURE IN THE AGGREGATE VALUE OF S\$153,289,000 AS AN INTERESTED PERSON TRANSACTION.**



W Capital Markets Pte. Ltd.

(Incorporated in the Republic of Singapore)

(UEN: 201813207E)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 April 2024 at 12.00 noon
Date and time of Extraordinary General Meeting	:	26 April 2024 at 12.00 noon
Place of Extraordinary General Meeting	:	Aloft Singapore Novena, 16 Ah Hood Road, Singapore 329982

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DEFINITIONS

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

- “Alternative Business”** **Investment** : The proposed investment business as described in Section 3 of this Circular.
- “Associate”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his Immediate Family;
- (ii) the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; or
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Audit Committee”** : The audit committee of the Company for the time being, comprising Teo Choon Kow @ William Teo, Wong Kwan Seng Robert and Goh Yew Gee.
- “Board”** : The board of Directors of the Company.
- “CDP”** : The Central Depository (Pte) Limited.
- “Circular”** : This Circular to Shareholders dated 11 April 2024.
- “CMS”** : Capital market services.
- “Companies Act”** : The Companies Act 1967 of Singapore, as may be amended, supplemented, or modified from time to time.
- “Constitution”** : The constitution of the Company, as may be amended or modified from time to time.
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company; or
- (b) in fact exercises control over the Company.
- “Directors”** : The directors of the Company for the time being.
- “EGM”** : The extraordinary general meeting of the Company to be held in physically on 26 April 2024, notice of which is set out on pages EGM-1 and EGM-2 of this Circular.
- “Exco”** : The executive committee of the Group which is the key decision-making body established by the Company with

		respect to investment, acquisition and divestment matters and other key decisions.
“Existing Core Business”	:	The business currently being conducted by the Group being the provision of construction services, property development and investment.
“FY”	:	The financial year ended 31 December.
“Fund Management Business”	:	The proposed fund management business as described in Section 3 of this Circular.
“Goh Directors”	:	Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee.
“GST”	:	Goods and Services Tax.
“IFA”	:	W Capital Markets Pte. Ltd., the independent financial adviser in respect of the Proposed IPTs.
“IFA Opinion”	:	The letter dated 11 April 2024 from the IFA in respect of the Proposed IPTs, a copy of which is set out in Appendix A of this Circular.
“Immediate Family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling or parent.
“Independent Directors”	:	The independent directors of the Company, namely Teo Choon Kow @ William Teo and Wong Kwan Seng Robert.
“Interested Person”	:	A director, chief executive officer or controlling shareholder of the Company, or an Associate of any such director, chief executive officer or controlling shareholder.
“Interested Person Transactions” or “IPTs”	:	All interested person transactions (within the meaning of Chapter 9 of the Listing Manual) entered or to be entered between the Group with Interested Persons and “Interested Person Transaction” shall be construed accordingly.
“Key Resolutions”	:	The key resolutions in this Circular, being Ordinary Resolution 2 on the Proposed Disposal, Ordinary Resolution 3 on the Proposed Joint Venture and Ordinary Resolution 4 on the Proposed Provision of Services.
“Latest Practicable Date”	:	1 April 2024, being the latest practicable date prior to the finalisation of this Circular for ascertaining information included herein.
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time.
“MAS”	:	The Monetary Authority of Singapore.
“Notice of EGM”	:	The notice of AGM dated 11 April 2024.
“NTA”	:	Net tangible assets.
“PBSA”	:	Purpose-Built Student Accommodation.
“Proposed Diversification”	:	Means collectively, the proposed diversification of the Group’s business into the Fund Management Business and the Alternative Investment Business.

- “Proposed Corporate Actions”** : Means collectively, the Proposed Business Diversification, the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services.
- “Proposed Disposal”** : Means the proposed disposal of 7,500 ordinary shares representing 15% of the issued and paid-up share capital of Active Systems Development Pte. Ltd. to WM Dormitory (Soon Lee) Pte. Ltd. for a consideration of S\$7,500 as an interested person transaction.
- “Proposed IPTs”** : Means collectively, the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services.
- “Proposed Joint Venture”** : Means the proposed joint venture in Active System Development Pte. Ltd. among Wee Hur Dormitory Pte. Ltd., WM Dormitory (Soon Lee) Pte. Ltd. and TS Management Services Pte. Ltd. and the provision of Shareholders’ Loans in the aggregate value of S\$33,180,000 as an interested person transaction.
- “Proposed Provision of Services”** : Means collectively, the proposed provision of construction services by Wee Hur Construction Pte. Ltd. and the proposed provision of project management services and corporate support services by Wee Hur Dormitory Pte. Ltd. to Active System Development Pte. Ltd. in relation to the Proposed Joint Venture in the aggregate value of S\$153,289,000 as an interested person transaction.
- “Proposed Resolutions”** : Means the proposed resolutions to be approved by the Shareholders in relation to the Proposed Business Diversification and the Proposed IPTs in this Circular.
- “Securities and Futures Act”** : The Securities and Futures Act 2001 of Singapore, as may be amended, supplemented, or modified from time to time.
- “SF(LCB)R”** : Securities and Futures (Licensing and Conduct of Business) Regulations, as may be amended, supplemented, or modified from time to time.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.
- “Shareholders”** : The registered holders of Shares, except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
- “Shareholders’ Agreement”** : Means the shareholders’ agreement, in draft form as at the Latest Practicable Date, the terms of which are set out in Section 6.2, to be entered into between Wee Hur Dormitory Pte. Ltd., WM Dormitory (Soon Lee) Pte. Ltd. and Active System Development Pte. Ltd. on or around 1 May 2024 setting out the rights and obligations of the parties to the Proposed Joint Venture.
- “Shares”** : Ordinary shares in the capital of the Company.
- “S\$” and “cents”** : Singapore dollars and cents, respectively.
- “%”** : Per centum or percentage.

Entities

- “Company”** : Wee Hur Holdings Ltd.

- “**Group**” : The Company and its subsidiaries.
- “**ASD**” : Active System Development Pte. Ltd., being a subsidiary of the Group.

Wholly-owned subsidiaries of the Company

- “**Wee Hur Capital**” : Wee Hur Capital Pte. Ltd., being an entity at risk.
- “**Wee Hur Construction**” : Wee Hur Construction Pte Ltd, being an entity at risk.
- “**Wee Hur Development**” : Wee Hur Development Pte. Ltd., being an entity at risk.
- “**Wee Hur Dormitory**” : Wee Hur Dormitory Pte. Ltd., being an entity at risk

Entitles directly held by the Goh Directors and their Associates

- “**WM Soon Lee**” : WM Dormitory (Soon Lee) Pte. Ltd., being an interested person

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

The terms “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning 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*.

Words importing persons include corporations.

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 or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.

All percentages included in this Circular are rounded to the nearest two (2) decimal places.

Harry Elias Partnership LLP has been appointed as the legal adviser to the Company in respect of the Proposed Corporate Actions.

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

Directors:

Goh Yeow Lian (*Executive Chairman and Managing Director*)
Goh Yew Tee (*Executive Director and Deputy Managing Director*)
Goh Yeow Hwa (*Executive Director*)
Goh Yew Gee (*Non-Executive Director*)
Teo Choon Kow @ William Teo (*Lead Independent Director*)
Wong Kwan Seng Robert (*Independent Director*)

Registered Office:

39 Kim Keat Road
Wee Hur Building
Singapore 328814

11 April 2024

To: The Shareholders of Wee Hur Holdings Ltd.

Dear Sir/Madam

- (1) **THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS INTO THE FUND MANAGEMENT BUSINESS AND THE ALTERNATIVE INVESTMENT BUSINESS;**
- (2) **THE PROPOSED DISPOSAL OF 7,500 ORDINARY SHARES REPRESENTING 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACTIVE SYSTEM DEVELOPMENT PTE. LTD. FOR A CONSIDERATION OF S\$7,500 AS AN INTERESTED PERSON TRANSACTION;**
- (3) **THE PROPOSED JOINT VENTURE IN ACTIVE SYSTEM DEVELOPMENT PTE. LTD. AMONGST WEE HUR DORMITORY PTE. LTD., WM DORMITORY (SOON LEE) PTE. LTD. AND TS MANAGEMENT SERVICES PTE. LTD. AND THE PROVISION OF SHAREHOLDERS' LOANS IN THE AGGREGATE VALUE OF S\$33,180,000 AS AN INTERESTED PERSON TRANSACTION; AND**
- (4) **THE PROPOSED PROVISION OF SERVICES BY THE GROUP TO ACTIVE SYSTEM DEVELOPMENT PTE. LTD. IN RELATION TO THE PROPOSED JOINT VENTURE IN THE AGGREGATE VALUE OF S\$153,289,000 AS AN INTERESTED PERSON TRANSACTION**

1. INTRODUCTION

1.1 Extraordinary General Meeting

The Directors are convening an Extraordinary General Meeting ("**EGM**") to be held physically on 26 April 2024 at 12.00 noon (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company ("**AGM**") to be held at 11.00 a.m. on the same day) at Aloft Singapore Novena, 16 Ah Hood Road, Singapore 329982 to seek Shareholders' approval for the following proposed resolutions:

- (a) Ordinary Resolution 1 – the Proposed Business Diversification;
- (b) Ordinary Resolution 2 – the Proposed Disposal;
- (c) Ordinary Resolution 3 – the Proposed Joint Venture; and
- (d) Ordinary Resolution 4 – the Proposed Provision of Services.

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for the Proposed Resolutions, as well as to seek Shareholders' approval for the Proposed Resolutions to be tabled as ordinary resolutions at the EGM. The Notice of EGM is set out on pages EGM-1 and EGM-2 of this Circular.

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.3 Inter-conditionality of Resolutions

Shareholders are advised that the Key Resolutions are inter-conditional. This means that if any of Ordinary Resolutions 2, 3 and 4 are not approved, none of Ordinary Resolutions 2, 3 and 4 will be passed. The Key Resolutions are inter-conditional as the subject-matter of the Key Resolutions are substantially related and, once approved, facilitates the Group's undertaking of the construction of Pioneer Lodge, a Purpose-Built Dormitory ("PBD") for foreign workers with a capacity of 10,500 beds located at Soon Lee Road ("Project").

For the avoidance of doubt, Ordinary Resolution 1 in relation to the Proposed Business Diversification is independent, and the passing of Ordinary Resolution 1 is not conditional on any other resolutions being passed. If Ordinary Resolution 1 is passed and any of the Key Resolutions is not passed then only the Proposed Business Diversification is approved.

2. REQUIREMENTS UNDER THE LISTING MANUAL IN RELATION TO THE PROPOSED BUSINESS DIVERSIFICATION

Pursuant to Practice Note 10.1 of the Listing Manual, Shareholders' approval is not required if a transaction is in the ordinary course of an issuer's business and is part of an issuer's existing core business, unless such transaction changes the issuer's risk profile.

It is envisaged that the Proposed Business Diversification may change the Group's risk profile as the Proposed Business Diversification will result in an increased exposure to the fund management, investment and property development segments and may also result in an expansion to new geographical markets.

Accordingly, the Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Business Diversification.

Shareholders should thus note that, save for the first major transaction, once Shareholders' approval for the Proposed Business Diversification is obtained, the Group may, in the ordinary course of business, enter into transactions relating to the Fund Management Business and the Alternative Investment Business without having to seek Shareholders' approval. This will reduce substantially the administrative time and expenses in convening general meetings to obtain Shareholders' approval, allowing the Group greater flexibility to pursue business and investment opportunities which may be time-sensitive in nature.

For the avoidance of doubt, even if Shareholders' approval is obtained for the Proposed Business Diversification:

- (a) in respect of an acquisition of assets, whether or not such acquisition is deemed in the Company's ordinary course of business) for transactions 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 is one which will result in a change in control of the Company, Rule 1015 of the Listing Manual will still apply and such transaction must be, among others, made conditional upon approval by Shareholders in a general meeting;
- (b) for transactions which constitute "interested person transactions" as defined under the Listing Manual, Chapter 9 of the Listing Manual will apply, and the Company must comply with the provisions of Chapter 9 of the Listing Manual (including where required obtaining Shareholders' approval in a general meeting to be convened in respect of such transaction); and
- (c) in assessing if an acquisition is to be regarded to be in, or in connection with, the ordinary course of business of the Group, the Company will be required to have regard to Practice Note 10.1.

In the event that the Company enters into the first major transaction involving the New Core Businesses, or where any of the Rule 1006 figures in respect of several transactions aggregated over the course of a financial year exceeds 20%, such first major transaction or the last of the

aggregated transaction will be made conditional on Shareholders' approval where required pursuant to the Listing Manual.

3. THE PROPOSED BUSINESS DIVERSIFICATION

3.1 Existing Core Business of the Group

The Group's business comprises of two core business segments, namely:

- (a) the Construction Business; and
 - (b) the Property Development Business,
- (collectively, the "**Existing Core Business**").

At its inception, the Group was principally engaged in the Construction Business and has since established a proven track record and accumulated over 44 years of experience in providing building construction services for residential, mixed-used, industrial, institutional and commercial projects.

At the extraordinary general meeting of the Company held on 19 May 2009, the Company sought for and obtained Shareholders' approval to diversify into the Property Development Business, which involves the acquisition of vacant plots of land or existing properties and developing these land parcels into either residential, industrial, or mixed-use developments in accordance with the approved use of these land parcels by the relevant authorities.

The Group is proposing to diversify its business to include the Fund Management Business and the Alternative Investment Business (collectively, the "**New Core Businesses**") as part of its Existing Core Business.

3.2 The Fund Management Business

3.2.1 Background

On 15 March 2017, the Group incorporated a wholly-owned subsidiary known as Wee Hur Capital Pte. Ltd. ("**Wee Hur Capital**") which forms the fund management arm of the Group, to engage in fund management activities in relation to immovable assets in Australia. The fund management activities of Wee Hur Capital include proactively managing each stage of a fund's real estate life cycle through expertise in acquisition, development and asset management, including but not limited to identifying suitable plots of land for acquisition and development into PBSA.

Wee Hur Capital has a proven track record and significant operating experience in fund management. Its maiden fund, Wee Hur PBSA Fund I, built an impressive PBSA portfolio consisting of seven properties with 5,662 beds across five major cities in Australia. In 2022, Wee Hur Capital successfully executed an exit strategy by disposing the 49.9% stake held by the Company and other investors¹ in Fund I to Reco Weather Private Limited, which is part of the GIC group. Wee Hur PBSA Fund I is an Australia-focused PBSA private trust. Wee Hur Capital was instrumental to the Group's entry into Australia and has since accumulated broad experience and acute knowledge of PBSA, which has now become an institutional grade asset class in Australia.

The Group continues to derive its revenue for the Fund Management Business from the fund management fee earned by Wee Hur Capital in its capacity as fund manager to the Wee Hur PBSA Fund I and Wee Hur PBSA Fund II.

This fee is a fixed fee which is not impacted by the said disposal to Reco Weather Private Limited as described above or by the remaining 50.1% interest of the Group held in Wee Hur PBSA Fund I. Whilst this interest does not contribute to the revenue derived from the Fund Management Business it contributes towards the Existing Core Business of the Group under the property development and investment segment.² Likewise, the revenue derived from the 30% interest of

¹ Out of the 49.9% stake disposed, 9.9% of the units in Fund I was held by the Company and 40% of the units in Fund I was held by other minority investors.

² Please refer to the circular issued by the Group on 27 September 2022 in relation to *inter alia*, the disposal of 49.9% of units in the Wee Hur PBSA Master Trust to Reco Weather Private Limited.

the Group held in Wee Hur PBSA Fund II contributes towards the Existing Core Business of the Group.

The fund management activities of Wee Hur Capital have proven to be a stable revenue stream for the Group over the past few years and its revenue contributions to the Group is expected to grow steadily.

Please refer to the following table setting out further details of the revenue and segment results of the Fund Management Business for the last three FYs.

FY	2021 (\$'000)	2022 (\$'000)	2023 (\$'000)
Fund Management Revenue	1,712	1,150	5,882
Group's Revenue	200,375	215,890	224,842
% change	0.9%	0.5%	2.6%
Fund Management Segment Result	(837)	(2,346)	2,467
Group's Segment Result	40,611	(25,602)	45,410
% change	N.M.	9.2%	5.4%

The Group believes that, with its track record and expertise gained since 2017, there is ample room to grow in the Australian PBSA sector due to strong tailwinds such as the resilient growth of international students globally as well as the acute housing shortage in Australia. The Fund Management Business is currently only managing assets situated in Australia.

To date, Wee Hur Capital has successfully launched two funds involving real estate in Australia, being (i) Wee Hur PBSA Master Trust; and (ii) Wee Hur PBSA Fund II, a private trust developing a single PBSA facility in Sydney, Australia. Given the success of these two funds, the Group intends to continue capitalising on the opportunities in the PBSA space in Australia. While there are no geographical limits to the investment objective other than the underlying assets have to constitute immovable assets, the Group may explore opportunities in other jurisdictions outside of Australia, where there are yield-accretive opportunities.

As the Group has accumulated over 7 years of experience through undertaking fund management over the years, the Group is now uniquely placed, to expand these business segments by leveraging on its management team's experience, network and track record. Once approved by the Shareholders, the Fund Management Business will become part of the Existing Core Business of the Group, which will operate under Wee Hur Capital.

3.2.2 Scope of the Fund Management Business

The Fund Management Business involves managing the property of, or operating, a collective investment scheme or undertaking on behalf of customers (whether on a discretionary basis or otherwise) the management of a portfolio of real estate assets. The primary focus of the Fund Management Business is on establishing and marketing funds (either by way of collective investment schemes or otherwise) which will invest primarily in the real estate sector or the PBSA space in Singapore and Australia, targeted at institutional, high net worth, and/or accredited investors. For the avoidance of doubt the Fund Management Business does not include real estate investment trust management.

3.2.3 Structure of the Fund Management Business

Before the establishment of any fund, the management of Wee Hur Capital is responsible for exploring opportunities and reports to the board of Wee Hur Capital, which in turn reports to the Exco. The board of Wee Hur Capital comprises of Mr. Goh Yeow Lian, Mr. Goh Yew Tee and Mr. Goh Yeo Hwa, which is responsible for setting, overseeing and monitoring of the overall investment strategy and direction, determining the operational structure and governance related matters of the funds managed by Wee Hur Capital as fund manager. The chief executive officer of Wee Hur Capital reports to the board of Wee Hur Capital. Once the fund is established, the investment committee of the fund will be responsible for managing the investment decisions of the fund. Please refer to section 3.4 (Executive Committee of the Group) for details of the Exco.

In line with the ongoing fund management activities of the Group, the Fund Management Business will include managing each stage of a fund's real estate life cycle, identifying and procuring investment opportunities that meet the investment objectives of the funds managed by

the Group, formulating and implementing investment strategies and solutions so as to match investors' capital with suitable real estate strategies to achieve attractive risk-adjusted returns, as well as identifying suitable divestment opportunities at the end of the investment cycle to ensure outsized performance of the funds.

The revenue for the Fund Management Business is expected to be substantially derived from the management fees based on a percentage of contributed capital and/or performance fees where the internal rate of return exceeds a certain specified hurdle rate. The Group will also have the opportunity to earn additional investment income from investing its own capital alongside that of the Group's fund investors. Such a strategy creates an alignment of interest with its co-investors.

Please refer to **Appendix B** of this Circular for the scope of services provided by Wee Hur Capital in relation to the Fund Management Business and **Appendix C** of this Circular for further details on the investment process.

3.2.4 Key Management Personnel of the Fund Management Business

The Fund Management Business will be headed by Mr. Goh Wee Ping, the chief executive officer of Wee Hur Capital who was appointed as the chief investment officer of the Group in 2023. He spearheaded the establishment of Wee Hur PBSA Master Trust and was the driving force behind the subsequent disposal to Reco Weather Private Limited. The Group's success in the fund management segment thus far reflects his business acumen which has enabled the Group to reach these milestones.

Mr. Goh Wee Ping is the son of the Mr. Goh Yeow Lian, the Executive Chairman and Managing Director of the Group. As chief executive officer of Wee Hur Capital, Mr. Goh Wee Ping is responsible for managing and integrating all functions of fund management which includes but not limited to fund-raising, acquisition and divestment, development, operations, asset management, business development and investor relations. He is currently managing Wee Hur PBSA Master Trust, as well as Wee Hur PBSA Fund II.

The credentials and experience of Mr. Goh Wee Ping that are relevant to the Proposed Business Diversification are briefly set out below:

Name	Current Designation	Qualification	Work Experience
Mr. Goh Wee Ping	Chief Executive Officer of Wee Hur Capital Chief Investment Officer of the Group	Bachelor of Engineering (Civil Engineering) from the National University of Singapore	He has more than ten (10) years of experience on the construction and property development industry and was instrumental in the Group's entry into the Australia's property development market. He currently manages business operations of the Group in Australia and has accumulated broad experience and knowledge on PBSA as an asset class in Australia.

3.2.5 Funding for the Fund Management Business

The Group intends to fund the Fund Management Business through internal resources and retained earnings generated from the Group's business operations and the Group's existing credit facilities. As and when necessary and deemed appropriate, the Group may develop secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments. Where the Group has identified any circumstances where it foresees that it would be appropriate to tap into capital markets to raise funds for the Fund Management Business, it would comply with the disclosure/approval requirements under the Mainboard Listing Rules and any offering requirements under the Securities and Futures Act (including any applicable guidelines issued by MAS).

As at the Latest Practicable Date, save for the existing fund management activities of Wee Hur Capital, the Group has not identified any specified projects to invest in for the Fund Management Business.

3.2.6 Regulatory Requirements

Fund management in Singapore is a regulated activity under the Securities and Futures Act which attracts licensing requirements, and is subject to the supervision and regulation of MAS. The current regulatory regime requires a corporation carrying on the business of fund management to either hold a CMS licence authorising it to carry on the business of fund management or to be exempted from holding a CMS licence under paragraph 5 of the Second Schedule of the SF(LCB)R.

Paragraph 5(1)(h) provides an exemption for fund managers who carry on the business of fund management in Singapore on behalf of qualified investors where assets managed by it comprise securities issued by one or more bodies corporate or interests in bodies unincorporate, where the sole purpose of each such body corporate or body unincorporate is to hold, whether directly or through another entity or trust, immovable assets.

The scope of the Fund Management Business to date has been limited to solely managing assets or securities, the underlying assets of which constitute real estate assets for qualified investors. Under the Fund Management Business, Wee Hur Capital as the fund manager manages fund structures comprising a mix of proprietary monies of the Group and monies from third-party. In carrying out its fund management activities, Wee Hur Capital has been operating in reliance on the exemption from holding a CMS licence under paragraph 5(1)(h) of the SF(LCB)R and intends to continue to rely on this exemption.

The Group may, in future, consider applying to MAS for the requisite CMS licence to carry out the regulated activity of fund management as it would allow the Group to carry on the business in fund management with all types of investors and in respect of all classes of assets, and not solely securities holding real estate assets. In such a case, the Group will have regard to Practice Note 10.1 of the Listing Manual to determine whether the expansion of the Fund Management Business should be subject to Shareholders' approval.

3.2.7 Rule 1020 of the Listing Manual

According to Rule 1020 of the Listing Manual, where an issuer, which had originally qualified for a listing of its securities under Chapter 2 of the Listing Manual, intends to set up an investment fund or undertake any business(es) in investment fund management, which in aggregate, exceeds 50% of the issuer's net asset value, the issuer must demonstrate to the SGX-ST that it satisfies the listing requirements for investment funds stipulated in Chapter 4 of the Listing Manual before it takes any steps to undertake such a business, whether through a transaction or a series of transactions.

The Company anticipates that the aggregate value of the assets under management which it owns pursuant to the Fund Management Business and the value of its investments under the Alternative Investment Business, will not exceed 50% of the Group's net asset value at any point in time, and will comply with the requirements of the Listing Manual in the event that such value is expected to exceed 50% of the Group's net asset value.

3.3 **Alternative Investment Business**

3.3.1 Background

In addition to the fund management activities of Wee Hur Capital, the Group has been prudently investing across different asset classes and into various instruments since 2018. The Group's investments in private credit, private equity and venture capital are diversified across different sectors such as technology, sustainability and education. On 14 April 2021, the Group incorporated a wholly-owned subsidiary known as KK39 Ventures Pte. Ltd. ("KK39") with a view to initially invest in venture capital funds and making direct investments into start-up companies.

Currently, the Group mainly undertakes such investment activities under KK39. As at 31 December 2023, the Group has invested a total amount of S\$10,292,890 through KK39 in various equity funds and direct investments.

Over the past few years, as the Group taps into investment opportunities, the Group has acquired deeper experience and strong capabilities in the end-to-end investment process including but not limited to sourcing, conducting due diligence, investment closing, portfolio management, support and divestment. As such, the Group intends to diversify into the Alternative Investment Business to strengthen the revenue stream from investment activities for the Group.

In alignment with the Group's current risk appetite and investment strategy, it is envisioned that the investment portfolio of the Alternative Investment Business will relate primarily to medium-to-long term investments in private equity, private credit and venture capital, using proprietary monies of the Group. As the Alternative Investment Business grows, the Group will then allocate more resources to focus on specific investment strategies and hire more employees to strengthen its investing capabilities. Such decisions will take into consideration, *inter alia*, the Group's human capital, prevailing market conditions, and such other factors as may be relevant at the appropriate time.

The revenue for the Alternative Investment Business is expected to be substantially derived from capital gains and recurring dividend income from the Group's investments in quoted and/or unquoted securities of these investee companies.

Please refer to the following table setting out further details of the revenue and segment results of the Alternative Investment Business for the last three FYs.

FY	2021 (\$'000)	2022 (\$'000)	2023 (\$'000)
Alternative Investment Business' Revenue	-	-	-
Group's Revenue	200,375	215,890	224,842
% change	0.0%	0.0%	0.0%
Alternative Investment Business Segment Result	(43)	(3,635)	(3,570)
Group's Segment Result	40,611	(25,602)	45,410
% change	N.M.	N.M.	N.M.

As the Group has accumulated over 6 years of experience through undertaking investment activities, the Group is now uniquely placed, to expand these business segments by leveraging on its management team's experience, network and track record. It is contemplated that the Alternative Investment Business will become part of the Existing Core Business of the Group, which will continue to operate under KK39.

3.3.2 Scope of the Alternative Investment Business

The Alternative Investment Business involves, using proprietary monies of the Group, investing in private credit, private equity and venture capital, either directly or through fund structures and investing in quoted and/or unquoted securities on various aspects on investment such as providing seed, mezzanine and other forms of capital to listed companies and/or private companies with the potential of business growth and trade sales, which may also include undertaking business incubation and angel investments as part of the corporate strategies and business development of the investee companies.

3.3.3 Structure of the Alternative Investment Business

The Group intends to engage in the Alternative Investment Business prudently and in accordance with the Group's investment objectives and risk management framework as set out in Section 3.9 of this Circular. The management of KK39 is responsible for exploring opportunities in the Alternative Investment Business and reports to the board of directors of KK39, which in turn reports to the Exco. The board of directors of KK39, which comprises Mr. Goh Yeow Lian, Mr. Goh Yew Tee and Mr. Goh Yeo Hwa, is responsible for setting, overseeing and monitoring of the overall investment strategy and direction of KK39. The chief executive officer of KK39 reports to the board of KK39.

The management of KK39 will source for potential investment opportunities through the network of fund managers, professionals, institutional investors, family offices and entrepreneurs that it has built up over the past few years.

Prior to making an investment, the Exco will evaluate each investment with reference to an investment paper prepared by the management of KK39 comprising details of the proposed investment(s), including but not limited to:

- (a) Type of investment or asset class;
- (b) Investment strategy;
- (c) Target returns;
- (d) Investment period;
- (e) Risks and rewards analysis;
- (f) Due diligence outcomes; and
- (g) Reference checks and legal documentation.

Based on the above factors, the investment paper will make a clear recommendation on the investment amount and highlight risks to monitor throughout the investment period. All investments made pursuant to the investment papers will require approval by the Exco, which is tasked to consider the risks and rewards of all investments as well as ensure compliance with the Group's internal investment framework and limits.

As at the Latest Practicable Date, the internal investment framework and limits, as approved by the Board on 1 March 2023 are summarised as follows:

- (a) A total budget of USD30 million has been allocated for all investment activities over the next 10 FYs ("**Investment Limit**");
- (b) Subject to the Investment Limit, no more than USD3 million can be allocated or spent on investments in private equity and venture capital funds in any one FY, which may be adjusted to USD5 million depending on the dynamic market conditions; and
- (c) Investments in direct investments are subject to a minimum amount of USD100,000 and to co-investments in these direct investments by the private equity and venture capital funds that KK39 has allocated capital to.

Investment proposals exceeding the limits above, will need to be approved by the Audit Committee. In addition, the Board and the Audit Committee, will review the risk exposure of such investment activities under the Alternative Investment Business on a half-yearly basis.

The Group does not plan to restrict the Alternative Investment Business to any specific business sector, industry or geographical market, as each major allocation of monies (for a certain investment class) or major investment under the Alternative Investment Business will be evaluated and assessed by the Exco on its merits and suitability.

To assist it in undertaking the Alternative Investment Business more effectively and efficiently, the Group may also enter into joint ventures, partnerships and/or strategic alliances with third parties (including interested persons) as it seeks to build its expertise and capabilities in the field. In the event that the Group proposes to enter into a joint venture, partnership or strategic alliance with an interested person (as defined under the Listing Manual), the Group will comply with the relevant provisions of Chapter 9 of the Listing Manual.

3.3.4 Key Management Personnel of the Alternative Investment Business

The Alternative Investment Business will be headed by Mr. Goh Wee Ping, the chief executive officer of KK39 and chief investment officer of the Group. Since starting the Group's investment programme in 2018, Mr. Goh Wee Ping has been instrumental in developing the Group's investment business and plans. He has played a key role in shaping the Group's investment strategy and has built a strong network within the industry, which extends beyond Singapore. Since 2018, Mr. Goh Wee Ping, together with his team, has built a vast network to facilitate the sourcing of deals as the Group collaborates with other capital allocators on deal origination and due diligence.

The Group may employ additional professionals with the relevant investment and/or mergers and acquisitions experience as the Alternative Investment Business expands. The Group may also require employees to undertake roles which would include, but are not limited to, conducting market research and analysis, carrying out due diligence checks and ongoing audit on the investee companies, and executing investment transactions and exit strategies.

Further, the Group believes that by leveraging on the Group's status as a public-listed company, the Group will be able to attract and hire experienced personnel to assist in the Alternative Investment Business. The Group will monitor developments and progress in the Alternative Investment Business and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage and grow the Alternative Investment Business to take it forward as and when required.

3.3.5 Funding for the Alternative Investment Business

The Group intends to fund the Alternative Investment Business through internal resources and retained earnings generated from the Group's business operations and the Group's existing credit facilities. As and when necessary and deemed appropriate, the Group may develop secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments. Where the Group has identified any circumstances where it foresees that it would be appropriate to tap into capital markets to raise funds for the Alternative Investment Business, it would comply with the disclosure/approval requirements under the Mainboard Listing Rules and any offering requirements under the Securities and Futures Act (including any applicable guidelines issued by MAS).

3.3.6 Regulatory Requirements

Under the Alternative Investment Business, the monies invested are solely proprietary monies of the Group. Under the MAS Guidelines on Licensing, Registration and Conduct of Business for Fund Management Companies, a person that manages their own assets or monies does not require a fund management licence or registration. The Group investing its own proprietary monies thus falls outside the regulatory ambit of MAS. There are no regulatory requirements associated with the entry into and the conduct of the Alternative Investment Business.

3.4 **Executive Committee of the Group**

Regulation 129 of the Constitution provides that the Directors may delegate any of their powers to committees, consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

Exercising its powers under Regulation 129 of the Constitution, the Board has delegated certain power to the Exco which is responsible for the formulation of the Group's strategic direction and expansion plans and managing the Group's overall business development.

It is contemplated that the respective management of Wee Hur Capital and KK39 will report to the Exco to seek its approval for opportunities in the New Core Businesses. Once approval is obtained from the Exco in respect to an opportunity in the New Core Businesses, the Exco will in turn update the Board regularly with the details of the New Core Businesses. In addition, where applicable, the respective management of Wee Hur Capital and KK39 will brief the Board on any matters which may require the Board's approval.

As at the Latest Practicable Date, the members of the Exco are Mr. Goh Yeow Lian, Mr. Goh Yew Tee and Mr. Goh Cheng Huah.

3.5 **Rationale for the Proposed Business Diversification**

The Group proposes to diversify its Existing Core Business to include the New Core Businesses for the following reasons:

3.5.1 The Proposed Business Diversification is expected to increase the revenue stream from the New Core Businesses with a view to achieving long-term growth

The Proposed Business Diversification is expected to increase the current revenue stream from the New Core Businesses which includes, *inter alia*, recurring income from management fees

and performance fees from acting as fund manager, capital gains from investments, profits from on-selling and capital gains from investments. The Group aims to continue growing the New Core Businesses prudently, with a view to enhancing shareholder value over the long-term and achieving long-term growth.

3.5.2 The Proposed Business Diversification is expected to provide a more diversified business and income base for the Group's future growth

As the Group continues to pursue sustainable growth strategies to strengthen and grow its Existing Core Business, the inclusion of the New Core Businesses is expected to provide the Group with a more diversified business and stable revenue stream for future growth and reduce the Group's reliance on the Existing Core Business for its revenue streams. Given the uncertainties prevailing in the current global economic outlook, the Group is of the view that it is more prudent to diversify to reduce reliance on the Existing Core Business.

3.5.3 The Proposed Business Diversification will place the Group in a better position to capitalise on the growth prospects of both Singapore and overseas markets

The Proposed Business Diversification will place the Group in a better position to capitalise on the growth prospects of both Singapore and overseas markets. The Group aims to take advantage of the opportunities in these markets by making investments for the funds managed by the Group. The Group believes that capitalising on such opportunities will enhance the performance of the New Core Businesses, and thereby strengthen the Group's financial position and enhance shareholder value and return.

3.6 Potential Conflicts of Interest

When the Company identifies a potential opportunity in respect of the New Core Businesses, each of the Directors will be obliged to disclose to the Board where he and/or his Associates have an interest (and the full extent thereof) in the transaction (a "**Conflicted Director**").

3.6.1 Mitigation of potential conflicts of interests with Conflicted Directors

To mitigate the potential conflicts of interest with the Conflicted Directors, it is proposed that:

- (a) The Conflicted Directors have a duty to disclose their interests in respect of any contract, arrangement, proposal, transaction or matter in which they have any personal material interest, or any actual or potential conflict of interests (including a conflict of interests that arises from their directorship(s) or executive position(s) or personal investment in any other corporation(s) that may involve them).
- (b) Upon such disclosure of an actual or potential conflict of interests by a Conflicted Director, the Audit Committee will review such conflicts disclosed by them to the Board. The Audit Committee will consider whether a conflict of interests does in fact exist. A Conflicted Director who is a member of the Audit Committee will not participate in any proceedings of the Audit Committee in relation to the review of a conflict of interests relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary.
- (c) Until the Audit Committee has determined that no conflict of interest exists, such Conflicted Directors shall not participate in any proceedings of the Board, and shall in any event abstain from voting, in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interests arises, unless and until the Audit Committee has determined that no such conflict of interest exists.

In any event, the Board and the Audit Committee will review each case of potential conflict of interest as and when it arises in the future. The Audit Committee may at its discretion obtain independent advice. In view of the above, the Directors (with the exception of Mr. Goh Yeow Lian, Mr. Goh Yew Tee and Mr. Goh Yeo Hwa due to their potential conflict of interest) believe that adequate measures have been taken to safeguard the interests of the Group.

3.7 Risk Factors relating to the Proposed Business Diversification

The New Core Businesses involve a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, may be material. Shareholders should evaluate

carefully the following considerations and the other information in this Circular. The risks set out below are not the only risks which the Group faces in respect of the New Core Businesses. Some risks are not yet known to the Company and there may be risks which the Company currently believes are not material but may subsequently turn out to be. As such, the following should not be construed as a comprehensive list of all risk factors relating to the New Core Businesses. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial position, results of operations, cash flow and/or prospects of the Group may be materially and/or adversely affected.

This Circular may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets, or companies. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements may be subject to various risks and uncertainties. Accordingly, there may be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should be read in conjunction with other cautionary statements included in this Circular and other filings by the Company. The Company does not undertake any obligation to publicly update or review any projections or forward-looking statements, whether as a result of new information, future developments, or otherwise.

3.7.1 The Group's performance following the Proposed Business Diversification will be subject to exposure to macro-economic risks

The markets in which the Group will operate the New Core Businesses 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 or invests:

- (a) legal and regulatory changes;
- (b) economic and political conditions;
- (c) the level and volatility of liquidity and risk aversion;
- (d) concerns about natural disasters, terrorism and war;
- (e) the level and volatility of equity, debt, property, commodity and other financial markets;
- (f) the level and volatility of interest rates and foreign currency exchange rates;
- (g) concerns over inflation; and
- (h) changes in investor confidence levels.

Any of the above-mentioned factors could adversely impact the performance of the New Core Businesses, which in turn may affect the Group's growth prospects, fee income, results of operations and/or financial position of the Group.

3.7.2 The Proposed Business Diversification is subject to competition risks

The success of the Fund Management Business will depend to a large extent on the Group's ability to establish itself in the fund management markets and build its clientele on an economically viable scale and in line with the Group's business objectives. The Group will have to compete with other fund management entities, some of which may be larger, better capitalised, offer a wider range of services, have access to greater human resources, and have both a stronger presence as well as a longer operating history in these markets. There can be no assurance that the Group's plan to strengthen its presence in these markets will be commercially successful. Furthermore, the competitive market environment may increase pressure on the Group's fee income margins for the Fund Management Business, consequently compromising the Group's fee income and financial performance.

If the Group fails to compete effectively in this environment, the Group may lose clients and/or investee companies, and the opportunity to gain new clients and/or investee companies. The Group will need to increase its marketing activities to develop market awareness and relationships with potential clients and/or investee companies. Such activities will increase the Group's expenses, and such expenditure without a corresponding increase in revenue may have an adverse impact on the Group's growth prospects and financial performance.

3.7.3 The Proposed Business Diversification is dependent on the Group's reputation and adverse publicity could have an adverse impact on the Group's business and financial performance

The Proposed Business Diversification relies to a large extent on market perception on how successful the Group has been in the conduct of its Existing Core Business as the Group will be operating in an industry where the Group's integrity (and the perception thereof) as well as the trust and confidence of the clients are of critical importance. Negative publicity (whether or not justified) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Accordingly, any perception of or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

3.7.4 The Group's success in carrying out the Proposed Business Diversification depends on the Group's ability to attract highly skilled personnel

The New Core Businesses requires several highly skilled personnel to manage and conduct its affairs. As such, the Group's success in the New Core Businesses will depend on its capability to attract, motivate, train and retain skilled employees and professionals in the relevant fields of expertise necessary for the New Core Businesses. If the Group is unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse impact on the Group's business, growth prospects, fee income, results of operations and/or financial condition of the Group.

3.7.5 The Group may be affected by the actions of its employees and/or the professionals it engages

Employee misconduct and/or negligence may result in legal liability, regulatory sanctions and unquantifiable damage to the Group's reputation, and may materially and adversely affect the Group's business operations and financial performance. Notwithstanding that the Group intends to put in place internal policies and guidelines to prevent risks and mitigate liabilities relating to employee misconduct or fraud, such precautions may not be effective in any or all cases, and it may not always be possible to detect employee misconduct.

Furthermore, the laws, rules and regulations applicable to the professionals engaged by the Group to manage the New Core Businesses may also impose restrictions and/or penalties on the Group in the event such laws, rules or regulations are breached, or alleged to be breached by the professionals, and the Group's competitiveness and financial performance may consequently be materially and adversely affected.

3.7.6 The Proposed Business Diversification is subject to litigation risks

The New Core Businesses will be subject to a complex legal and regulatory environment. Any litigation brought against the Group by the clients of the New Core Businesses could have a material adverse effect on the Group's reputation, business, growth prospects, fee income, results of operations and/or financial position of the Group.

3.8 Additional risks associated with the New Core Businesses

3.8.1 The performance of the investments or the funds managed by the Group cannot be guaranteed

The success of the Group's investments and the funds it manages depends, in part, on the Group's ability to correctly interpret market data and other information. It also depends on the Group's ability to conduct or obtain relevant investment research analysis and/or accurately predict market conditions and developments. There can be no assurance that the Group's analysis and investment strategies will be successful under all or any market conditions. In the event that the funds do not perform as envisioned, there may be a material adverse effect on the Group's reputation, fee income, financial performance and business operations.

3.8.2 Management fees and/or performance fees derived from the Fund Management Business may decline

The Fund Management Business derives its revenue from, amongst others, management fees and performance fees, which may be partly based on the performance of the funds managed by

Wee Hur Capital. A decline in the fund's performance may result in a reduction in fees payable to the Wee Hur Capital, which in turn may have a material adverse effect on the Group's business, growth prospects, fee income, results of operations and/or financial position of the Group.

3.8.3 Fluctuations in market conditions could affect the performance of the Group's investments or the funds managed by the Group

Unstable and/or unfavourable market conditions in the countries in which the investments are located may affect the value of the investments held by the funds managed by Wee Hur Capital or held by the Group directly. Lack of liquidity or price volatility may further reduce the value of the funds managed by Wee Hur Capital or which the Group has directly invested into, which in turn may result in a material adverse effect on the business, growth prospects, fee income, results of operations and/or financial position of the New Core Businesses.

3.8.4 Regulatory changes may limit the Group's activities in the New Core Businesses and/or subject the Group to regulatory risk

Any changes in the applicable regulatory framework may restrict or modify the range of services the Group is able to offer, the fees the Group is able to charge for its Fund Management Business or the investments that the Group may make under the Alternative Investment Business. The Group may need to incur additional costs and/or modify its operations to ensure that they continue to comply with the changes to the regulatory framework. If any of these events occur, it may have an adverse effect on the Group's growth prospects, operations and/or financial performance.

3.8.5 The Group may be exposed to risks arising from the illiquidity of property investment in relation to the Fund Management Business

Real estate investments are relatively illiquid. Such illiquidity limits the ability of the Group to vary the portfolio of funds under its management in response to changes in economic or other conditions in a timely manner. In the event that there is a need for the sale of such illiquid assets on short notice under harsh market conditions, funds under the Group's management not be able to sell off such real estate assets at a favourable price. Such sales at unfavourable prices may have an adverse effect on the financial position of the Group.

3.9 Risk Management Measures and Safeguards

To address the risks presented by the New Core Businesses to the Group, the Group currently has a system of risk management and internal controls, as required by the Code of Corporate Governance.

In particular, the Group adopts a precautionary approach in strategic decision and day-to-day operation by implementing a comprehensive investment framework that prioritises thorough due diligence and implementing a comprehensive enterprise risk management framework that: (a) incorporates diversification strategies and stress testing to mitigate potential risks, and (b) emphasises on regular reporting, whereby the Group's key management personnel, under the purview of the Audit Committee and the Board, constantly reviews the business operations and the environment that the Group operates in to identify risk areas and ensure mitigating measures are promptly developed to address these risks.

If and/or when the Proposed Business Diversification is approved, the risks presented by the New Core Businesses will be managed under this existing system of risk governance and internal controls, which will determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group will also comply with the risk management requirements imposed by MAS, including but not limited to MAS's Guidelines on Risk Management Practices, in relation to activities relating to the Fund Management Business. The Group will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of Wee Hur Capital and KK39 and will review such risk management systems periodically to assess adequacy.

Where necessary, the Audit Committee 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, informational technology and risk management systems relating to the New Core Businesses; 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.

4. INTERESTED PERSON TRANSACTIONS

4.1 Overview

On 1 April 2024, the Company announced that Wee Hur Dormitory Pte. Ltd. ("**Wee Hur Dormitory**" or the "**Vendor**"), a wholly owned subsidiary of the Company, had entered into a sale and purchase agreement ("**Sale and Purchase Agreement**") with WM Dormitory (Soon Lee) Pte. Ltd. ("**WM Soon Lee**" or the "**Purchaser**") pursuant to which the Vendor agrees to sell, and the Purchaser agrees to purchase, 15% of the Vendor's shareholding interest in Active System Development Pte. Ltd. ("**ASD**" or the "**Target**"), an indirect subsidiary of the Company (the "**Proposed Disposal**").

Upon Completion of the Proposed Disposal, the shareholding interests of the Vendor and the Purchaser will be 60% and 15% respectively. For the avoidance of doubt, the remaining 25% shareholding interest in the Target is held by TS Management Services Pte. Ltd. ("**TS Management**"). Please refer to **Appendix D** of this Circular for the envisaged corporate and shareholding structure pursuant to the Proposed Disposal.

TS Management, its directors and shareholders are not related to any of the Company's Directors, controlling Shareholders, chief executive officer or their respective Associates. As at the Latest Practicable Date, TS Management, its directors and shareholders do not hold Shares in the Company.

On Completion of the Proposed Disposal, the Vendor, the Purchaser and TS Management (collectively, the "**JV Partners**") will enter into the Shareholders' Agreement which sets out the financial, managerial, administrative and other arrangements agreed between the parties as joint venture partners in the Target, and the manner in which the business and affairs of the Target will be regulated (the "**Proposed Joint Venture**"). Under the Proposed Joint Venture and the Shareholders' Agreement, the JV Partners have agreed to provide loans to the Target ("**Shareholders' Loans**"), in proportion to their respective shareholding interests of the JV Partners, for the purposes of, amongst others, undertaking the Project.

Prior to the Proposed IPTs, the Group was providing construction, project management and corporate support services to ASD as intra-group transactions in the ordinary course of business.

Pursuant to the Proposed Disposal and Proposed Joint Venture which constitute interested person transactions under Chapter 9 of the Listing Manual, the Group is proposing to continue the provision of the following services to ASD as the Target for the purposes of the Project (the "**Proposed Provision of Services**"):

- (a) construction services which will be provided by Wee Hur Construction, a wholly owned subsidiary of the Company;
- (b) project management services which will be provided by Wee Hur Development, a wholly owned subsidiary of the Company; and
- (c) corporate support services which will be provided by Wee Hur Dormitory, a wholly owned subsidiary of the Company,

(collectively the "**Proposed Services**").

Please refer to **Appendix E** of this Circular for the scope of the Proposed Services.

4.2 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company.

Under the Listing Manual:

- (a) the term “**entity at risk**” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the issuer and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (b) the term “**interested person**”, in the case of a company, means:
 - (i) a director, chief executive officer or Controlling Shareholder of the issuer; or
 - (ii) an Associate of such director, chief executive officer or Controlling Shareholder.
- (c) the term “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual; and
- (d) the term “**interested person transaction**” means a transaction between an entity at risk and an interested person.

Under Rule 905 of the Listing Manual, the Company will be required to make an immediate announcement of any interested person transaction if the value of that transaction is equal to or exceeds 3% of the value of the Group’s latest audited NTA or the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group’s latest audited NTA.

Under Rule 906 of the Listing Manual, shareholders’ approval is required in respect of any interested person transaction if the value of that transaction is equal to or exceeds 5% of the value of the Group’s latest audited NTA or the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the Group’s latest audited NTA. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements under Rule 905 of the Listing Manual for immediate announcement and/or for shareholders’ approval under Rule 906 of the Listing Manual, as the case may be, do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Listing Manual.

5. THE PROPOSED DISPOSAL

5.1 Background

The “entities at risk” are the Company and its subsidiaries, which includes Wee Hur Dormitory, and the “Interested Person” is WM Soon Lee. WM Soon Lee is a private limited company incorporated in Singapore and its directors are Mr. Goh Yeow Lian, Mr. Goh Yew Tee and Mr. Goh Yeo Hwa, who are also the Goh Directors. The Goh Directors together with their Associates hold an aggregate of 74% of the issued and paid-up share capital of WM Soon Lee with the balance held as described below. The Goh Directors are also directors and shareholders of the Company. Mr. Goh Yeow Lian is a controlling shareholder of the Company.

WM Soon Lee is therefore regarded to be an Associate of the Goh Directors and as such, would be regarded to be an “interested person” within the meaning defined in Chapter 9 of the Listing Manual. Accordingly, all transactions entered into between the Group and WM Soon Lee constitute IPTs under Chapter 9 of the Listing Manual.

The remaining 26% of the issued and paid-up share capital of WM Soon Lee, are held by Sua Investment Pte. Ltd. (11%), Cheng Kiang Huat (11%), Goh Cheng Huah (2%) and Lu Tze Chern (2%). Other than Goh Cheng Huah and Lu Tze Chern who are unrelated third parties, Sua Investment Pte. Ltd. is held by Goh Cheng Hiong and her immediate family. Goh Cheng Hiong and Cheng Kiang Huat are immediate family members of the Goh Directors.

5.2 The Principal Terms of the Sale and Purchase Agreement

5.2.1 The Sale Shares

Wee Hur Dormitory is the beneficial owner of 75% of the shareholding interests in the Target. Pursuant to the terms of the Sale and Purchase Agreement, Wee Hur Dormitory has agreed to sell to the WM Soon Lee, and WM Soon Lee has agreed to purchase from Wee Hur Dormitory, the Sale Shares comprising 7,500 ordinary shares representing 15% of the issued and paid-up share capital of the Target, upon the terms and conditions set out in the Sale and Purchase Agreement. After Completion, WM Soon Lee will hold 15% of the issued shares and Wee Hur Dormitory will hold 60% of the issued shares in the Target respectively.

5.2.2 Consideration

The Consideration for the Sale Shares is S\$7,500. The Consideration was determined based on arm’s length negotiations between Wee Hur Dormitory and WM Soon Lee, and was arrived at on a willing-buyer and willing-seller basis after taking into account, *inter alia*, the capital contribution by Wee Hur Dormitory and the existing shareholders’ loan provided by Wee Hur Dormitory to the Target.

As at 31 December 2023, the Target has negative NTA or net tangible liabilities of approximately S\$10.1 million.

As at the Latest Practicable Date, the capital contribution by Wee Hur Dormitory is S\$37,500 and the aggregate Shareholders’ Loans provided by Wee Hur Dormitory to the Target is in the amount of S\$14.7 million.

5.2.3 Completion under the Sale and Purchase Agreement

On Completion under the Sale and Purchase Agreement, the following shall take place:

- (a) the Vendor shall deliver to the Purchaser the following:
 - (i) the share certificate in respect of the Sale Shares;
 - (ii) valid and registrable transfers in respect of the Sale Shares duly executed by the Vendor transferring the legal and beneficial ownership of the Sale Shares to the Purchaser;
 - (iii) duly passed resolutions of the board of directors of the Target approving the transfer of the Sale Shares; and
 - (iv) other such documents as may be necessary to complete the sale and purchase of the Sale Shares,
- (b) against concurrent satisfaction of the above, the Purchaser shall pay to the Vendor the Consideration in cleared funds.

5.3 Rationale and Benefits of the Proposed Disposal

The Proposed Disposal is to facilitate and is in connection with the establishment of the Proposed Joint Venture between Wee Hur Dormitory, WM Soon Lee and TS Management. The rationale for the Proposed Joint Venture is set out in Section 6.3 below.

6. THE PROPOSED JOINT VENTURE AND SHAREHOLDERS' LOANS

6.1 Background

Upon Completion of the Proposed Disposal, the shareholding interests of Wee Hur Dormitory, WM Soon Lee and TS Management in the Target will be 60%, 15% and 25% respectively. Under the Proposed Joint Venture, the JV Partners will enter into the Shareholders' Agreement to govern, amongst others, their rights and obligations as JV Partners of the Target.

In connection with the Proposed Joint Venture and pursuant to the Shareholders' Agreement, the JV Partners will provide the Shareholders' Loans in accordance with their shareholding proportion in the Target for the purposes of the Project.

As stated in Section 5.1 above, the "entities at risk" are the Company and its subsidiaries, which includes Wee Hur Dormitory, and the "Interested Person" is WM Soon Lee being an Associate of the Goh Directors.

By virtue of Section 4 of the Securities and Futures Act, the Goh Directors are deemed to be interested in 75% of the shareholding interests in ASD held by Wee Hur Dormitory (60%) and WM Dormitory (15%) as the Goh Directors and their Associates hold (directly and indirectly) (i) approximately 60.47% of the shareholding interests in the Company and (ii) 100% of the shareholding interests in WM Dormitory. In this regard ASD will be considered as an Associate of the Goh Directors. Accordingly, all transactions entered into between the Group and WM Soon Lee and ASD constitute IPTs under Chapter 9 of the Listing Manual.

The Proposed Joint Venture and the provision of the Shareholders' Loans thus constitute interested person transactions within the meaning of Chapter 9 of the Listing Manual.

6.2 The Principal Terms of the Shareholders' Agreement

For the avoidance of doubt, the Shareholders' Agreement does not give rise to an option to acquire any shares in the Target save for the customary pre-emptive rights in relation to the issue and transfer of shares in the Target.

In accordance with the Shareholders' Agreement, the risks and rewards of the Proposed Joint Venture are in proportion to their shareholding interests of the JV Partners.

It is contemplated that the JV Partners shall provide the Shareholders' Loans, for the funding of the Project, in the aggregate amount of approximately S\$70 million (which includes all existing Shareholders' Loans) in accordance with their shareholding proportion in the Target. The amount of S\$70 million is based on an estimation of the loan facilities and development costs in relation to the Project.

The funding from the Shareholders' Loans will be channeled towards the following:

- (a) construction costs of the Project;
- (b) project management fees for the Project;
- (c) the monthly rent for the lease of the land for the Project to be paid to BCA;
- (d) the monthly administration fee to be paid to BCA in relation to the Project; and
- (e) payment of interest on bank borrowings.

6.2.1 Board of Directors

The Target shall comprise of five (5) directors. The composition of the board of directors of the Target shall initially comprise three (3) directors appointed by Wee Hur Dormitory, one (1) director appointed by WM Soon Lee and one (1) director appointed by TS Management. A director nominated by Wee Hur Dormitory shall be the chairman of the board but the chairman shall not have any casting vote. The proposed board members are Mr. Goh Yeow Lian, Mr. Goh Yew Tee, Mr. Goh Yeo Hwa, Mr. Goh Yew Gee and Mr. Shamkumar s/o Subramani.

The quorum at a board meeting shall be any two (2) directors with at least one director appointed by Wee Hur Dormitory. All resolutions of board meeting shall be passed by a simple majority of vote by the directors present at the meeting.

6.2.2 General Meetings

The quorum at a general meeting of the Target shall be two (2) shareholders present in person or in proxy. All shareholders' resolutions shall be passed by a simple majority of votes cast by the shareholders who are present and voting.

6.2.3 Reserved Matters

The approval of each shareholder of the Target is required to decide on the various reserved matters as set out in the Shareholders' Agreement which are as follows:

- (a) any change in the nature and/or scope of the business of the Target;
- (b) the dissolution, liquidation, or winding up of the Target;
- (c) save as other provided in the Shareholders' Agreement, any increase in the share capital of any group company or the issue or grant of any option over the unissued share capital of the Target or the issue of any new class of shares in the capital of the Target or the issuing of any convertible securities by the Target;
- (d) any repurchase, cancellation or redemption of the Target's share capital or any reduction, consolidation, subdivision or reclassification or other alteration of its capital structure;
- (e) any amalgamation or reconstruction of the Target, or any merger of the Target with any corporation, firm or other body; and
- (f) any public offering or listing or quotation of the shares or other equity of the Target on any stock exchange.

6.2.4 Transfer of the Shares

- (a) The shareholders are subject to pre-emptive rights in relation to the issue and transfer of shares in the Target. Any third-party subscriber(s) or transferee(s) of the shares of the Target shall be required to execute a deed of ratification and accession under which they shall agree to be bound by and be entitled to the benefit of the Shareholders' Agreement;
- (b) The shareholders are subject to drag-along rights in a situation where Wee Hur Dormitory (being the drag-along selling shareholder), desires to transfer all of the shares held by it in the Target to a third-party purchaser may require all other shareholders (being the dragged-along shareholders) by giving notice in writing, to sell all the shares held by each of them (being the dragged along shares), to the third-party purchaser offering to purchase all the shares in the Target, on terms and conditions (including price) no less favourable to the dragged-along shareholders than those offered to the drag-along selling shareholder; and
- (c) The shareholders are subject to tag-along rights in a situation where Wee Hur Dormitory (being the tag-along selling shareholder), desires to transfer shares held by it in the Target or more to a third-party purchaser or to another shareholder (being the tag-along purchaser), the tag-along selling shareholder shall give notice in writing to the other shareholders (being the tag-along seller) of such desire and enclosing an offer made by the tag-along purchaser to purchase all (and not some only) of the shares in the Sale Company held by the tag-along seller on terms and conditions (including price) that are no less favourable than those available to the tag-along selling shareholder, for acceptance by the tag-along seller.

For the avoidance of doubt, the dragged-along shareholders shall be bound to sell the dragged-along shares if the terms and conditions (including price) are no less favourable to the dragged-along Shareholders than those offered to the drag-along selling shareholder.

6.2.5 Funding

The finance for the business of the Target shall be provided by the following financing means:

- (a) by way of shareholders' loans to be provided by shareholders to the Target on such terms as the board of the Target may agree, provided that such terms shall be identical for each shareholder and the quantum of the principal amount of such shareholders' loans to be provided by each shareholder shall be on a pro rata basis by reference to its shareholding proportion in the Target; and
- (b) by way of loans and other credit facilities from bank, financial institutions or other third parties on such terms as the board of the Target may agree. Where any financing by the shareholders of the Target is to be provided, such financing (including the provision of any guarantee or security) shall be provided by each shareholder on a several basis, on a pro rata basis by reference to the its shareholding proportion in the Target.

All of the Shareholders' Loans will be extended by the JV Partners in accordance with their shareholding proportion in the Target and on the same terms and conditions. None of the interested persons have any existing interests in the Target prior to the participation of the JV Partners.

6.3 Rationale and Benefits of the Proposed Joint Venture

The Target was awarded the tender for the land for the Project on 6 September 2019. As a result of the Covid-19 pandemic, the Group could not proceed with further construction works for the Project. Following the Covid-19 pandemic and subsequent discussions with the Building Construction Authority ("BCA"), the terms of the sub-tenancy agreement for the Project were revised on 28 December 2023 to adhere to new regulatory standards implemented for PBD such as specifications on the facilities and spacing requirements in order to mitigate the risk of future pandemics. As a result of these revisions, the construction costs for the Project have increased significantly to comply with the aforementioned new regulatory standards for PBD.

Following the Covid-19 pandemic, a prevailing high-interest environment and uncertain political climate with the Russia-Ukraine war have contributed towards an upward pressure on material and labour costs. Having regard to these factors, the Group is facing a sharp increase in construction costs for the Project. This increase in construction costs is due to the expenses already incurred prior to the revision of the terms of the sub-tenancy agreement for the Project, and the financing costs of the Project being significantly higher than previously anticipated by the Group. Accordingly, the Group is seeking to reduce its shareholding interest in the Target to reduce its capital commitment to the Target and funding for the Project.

During the period between the award of the tender for the Project on 6 September 2019 up to the entry into of the revised sub-tenancy agreement for the Project with BCA on 28 December 2023, the Group has incurred costs of approximately S\$10.1 million arising from rental fees, administrative fees and construction works. Pursuant to the Proposed Disposal and the Proposed Joint Venture, WM Soon Lee as the Purchaser and JV Partner has agreed to share the burden of these costs (including all costs moving forward) on a pro rata basis by reference to its shareholding proportion in the Target.

As at the Latest Practicable Date, the aggregate Shareholders' Loans provided by Wee Hur Dormitory and TS Management is in the amount of S\$19.6 million of which S\$14.7 million and S\$4.9 million were provided by Wee Hur Dormitory (75%) and TS Management (25%) respectively, in accordance with their shareholding proportion in the Target.

As WM Soon Lee will hold 15% shareholding interest in the Target pursuant to the Proposed Disposal, WM Soon Lee will contribute S\$2,940,000 towards the Shareholders' Loans, equivalent to its 15% shareholding interest on the basis that it had contributed at inception of the joint venture, like the rest of the shareholders of the Target.

The amount of S\$2,940,000 will be reimbursed by WM Soon Lee to Wee Hur Dormitory directly in cash. Such reimbursement will result in the amount of the Shareholders' Loans contributed by Wee Hur Dormitory to decrease from S\$19.6 million to S\$11.76 million. The amount of the Shareholders' Loans contributed by TS remains unchanged.

Wee Hur Dormitory will contribute S\$30,240,000 towards the Shareholders' Loans proportionate to its 60% shareholding interest in the Target pursuant to the Proposed Disposal.

Given the above, the value of the Proposed Joint Venture will S\$33,180,000, being the aggregate of S\$2,940,000 and S\$30,240,000.

Other than the Proposed Joint Venture, the Board has not considered an alternative funding structure in relation to the Project as the Proposed Disposal and the Proposed Joint Venture is in line with the business model adopted by the Group since 2010 whereby the Goh Directors will hold not more than 30% interests in a joint venture to demonstrate assurance to unrelated third party investors as the Company and the Goh Directors commit to holding significant equity stakes in the joint venture. The Company prefers to adopt a prudent approach by relying on the internal resources of the Company to fund its capital contributions in the Target, thereby reducing the risk from funding through external financing or loans. Logically, a reduction of the Company's stake in ASD would correspondingly reduce the Company's risk exposure.

Accordingly, the Board is of the view that the Proposed Disposal and the Proposed Joint Venture are in the Company's best interests.

7. THE PROPOSED PROVISION OF SERVICES

7.1 Background

As stated in Section 5.1 above, the Group has been providing construction, project management and corporate support services to ASD as intra-group transactions in the ordinary course of business. Pursuant to the Proposed Disposal and Proposed Joint Venture, which constitute interested person transactions, the Group is proposing to continue the provision of the Proposed Services to ASD for the purposes of the Project. Please refer to **Appendix E** of this Circular for the scope of the Proposed Services.

The terms and scope of the Proposed Services will remain largely consistent before and after the entry into the relevant agreements save for adjustments to pricing which were implemented in response to market conditions and the incorporation of the latest designs.

As stated in Section 6.1 above, the "entities at risk" are the Company and its subsidiaries, which includes Wee Hur Dormitory, and the "interested persons" are WM Soon Lee and ASD, being Associates of the Goh Directors. Accordingly, all transactions entered into between the Group and WM Soon Lee and ASD constitute IPTs under Chapter 9 of the Listing Manual.

As the Proposed Disposal will result in the establishment of the Proposed Joint Venture and correspondingly, the Proposed Provision of Services to the Target, each of the Proposed Disposal, Proposed Joint Venture and the Proposed Provision of Services constitutes an interested person transaction under Chapter 9 of the Listing Manual. Hence, the Company has also put forth the Proposed Provision of Services for the approval of Shareholders at the EGM.

7.2 The Principal Terms of the Construction Services Agreement

The principal terms of the letter of award entered into on 7 March 2024 pursuant to which Wee Hur Construction shall provide construction services to ASD ("**Construction Services Agreement**") are as follows:

Parties	:	(1) Wee Hur Construction (as the service provider) (2) ASD
Services	:	Construction services. Please refer to Appendix E of this Circular for the full scope of services.
Contract sum	:	Aggregate of S\$138,500,000 (excluding GST), to be paid on a monthly basis as progress payments.
Contract period	:	1 March 2024 to 31 October 2025, being the completion date as well as the issue of the Temporary Occupational Permit (" TOP ").

Basis of calculation of Fees : The fees shall be on normal commercial terms and on arm's length basis, based on the opinion of an independent third-party professional quantity surveyor who will be appointed to verify, based on its expertise and experience, that the construction costs for the project is at least comparable to or higher than the market rates for substantially similar projects or projects contemporaneous in time.

Governing law : Laws of Singapore

7.3 The Principal Terms of the Project Management Services Agreement

The principal terms of the services agreement entered into on 1 January 2024 pursuant to which Wee Hur Development shall provide project management services to ASD ("Project Management Services Agreement") are as follows:

Parties : (1) Wee Hur Development (as the service provider)
(2) ASD

Services : Project management services. Please refer to **Appendix E** of this Circular for the full scope of services.

Fees : Aggregate of S\$2,000,000 (excluding GST).

Contract period : 1 January 2024 until the issuance of the Certification of Statutory Completion ("**CSC**") or the expiry of the Defect Liability Period ("**DLP**"), whichever is the later.

Basis of calculation of Fees : The fees which are charged by Wee Hur Development are generally equivalent to approximately 1% to 3% of the construction costs, in line with prevailing market practice.

The management team of Wee Hur Development will determine the material terms of the project management services in relation to the said project (including the project management fees), taking into account the construction costs for the project, complexity of the project, duration of the development and prevailing market practice.

Governing law : Laws of Singapore

The breakdown of the Project Management Services Agreement contract sum is as follows:

Stage	Description	Proportion of Project Management Fee payable (%)
A	Upon completion of preparing design for application to be made for planning approval	5%
B	Upon obtaining provisional planning for the development	5%
C	Upon obtaining written permission approval for the development	5%
D	Upon completion of preparing building plans for application to be made for building plan approval	5%
E	Upon obtaining building plan approval	10%
F	Upon completion of the building contract document stage	5%
G	Upon award of the building contract tender	10%
H	During the construction period in equal monthly instalments	40%
I	Upon receipt of TOP	5%
J	Upon the issue of CSC	5%
K	End of DLP (12 months from TOP)	5%
		100%

7.4 The Principal Terms of the Corporate Support Services Agreement

The principal terms of pursuant to which Wee Hur Dormitory shall provide corporate support services to ASD set out in the Shareholders' Agreement are as follows:

- Parties : (1) Wee Hur Dormitory (as the service provider)
(2) ASD
- Services : Corporate support services. Please refer to **Appendix E** of this Circular for the full scope of services.
- Fees : Aggregate of S\$216,000 (excluding GST) per year on the basis of S\$18,000 (excluding GST) per month until such time ASD is wound up.
- For the first year, the aggregate fees shall be approximately S\$144,000 (excluding GST) which is calculated on a pro rated basis commencing from date of the Shareholders' Agreement (assuming the Shareholders' Agreement is entered into on 1 May 2024) up to the end of the financial year.
- Basis of calculation of Fees : The fees, as mutually agreed amongst the joint venture partners, are calculated based on the costs of the overheads, market rate salaries of the Group's manpower assigned to ASD, which consists of two accountants, one human resource/administrative staff member, and one manager.
- Governing law : Laws of Singapore

7.5 Rationale for and Benefits of the Proposed Provision of Services

The Group is of the view that the Proposed Provision of Services allows the Group to capitalise more control over the construction process and the development timeline, and hence, facilitate the efficient completion of the Project:

- (a) In relation to the construction services, the engagement of Wee Hur Construction to provide the construction services for the Project allows the Group to control and maintain the quality of the development and investment projects as Wee Hur Construction has the required licences, track records and experience. The Group expects to achieve an increase in revenue and earning streams of Wee Hur Construction by undertaking the provision of construction services. In appointing Wee Hur Construction as the main contractor, the Group is able to afford preferential treatment to the Group such as negotiating for a waiver from the requirement to provide a performance bond (equivalent to 10% of the contract sum) unlike in its construction contracts with unrelated third parties where waivers of performance bonds are non-negotiable;
- (b) In relation to the project management services, in appointing Wee Hur Development as the project manager, the Group is able to maintain effective control over the Project as the project manager is responsible for the overall project management (such as the scope of work as described in **Appendix E** of this Circular) with a primary focus to ensure that the project is implemented in accordance with the contractual requirements. Similar to Wee Hur Construction, the Group expects to achieve an increase in revenue and earning streams of Wee Hur Development by undertaking the provision of project management services; and
- (c) In relation to the corporate support services, these services, which constitute the usual inter-company services for day-to-day operations, permit the sharing of resources, economies of scale and reduce duplication of efforts of the Group.

8. APPLICATION OF CHAPTER 9 OF THE LISTING MANUAL

8.1 Current and On-going IPTs with the Goh Directors and their Associates

The Group has an existing general mandate for recurrent transactions of a revenue trading nature or those necessary for its day-to-day operations with interested persons which was last renewed

and approved at the Company's extraordinary general meeting on 28 April 2023 ("**IPT General Mandate**").

Other than transactions of less than S\$100,000, and transactions carried out under the IPT General Mandate, there has been no transactions for FY2024 with the interested persons under the Proposed IPTs from 31 December 2023 up to the Latest Practicable Date.

8.2 Materiality Thresholds under Chapter 9 of the Listing Manual

In accordance with Rule 906(1)(a) and Rule 918 of the Listing Manual, where the value of an interested person transaction, or when aggregated with other transactions entered into with the same interested person during the same financial year, is equal to or exceeds 5% of the Group's latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

Additionally, under Rule 909(2) of the Listing Manual, in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk.

The Proposed IPTs are inter-related since the Proposed Disposal will result in the establishment of the Proposed Joint Venture, and thereafter the Proposed Provision of Services will be undertaken in relation to the Proposed Joint Venture:

- (a) As such, each of the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services constitutes an interested person transaction under Chapter 9 of the Listing Manual; and
- (b) The value at risk for the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services is S\$186,476,500, being the aggregate of the Consideration (S\$7,500), the Shareholders' Loans (S\$33,180,000) and the Proposed Services (S\$153,289,000) pursuant to the Proposed Joint Venture.

Based on the latest audited consolidated financial statements of the Group for FY2022, the audited consolidated NTA of the Group is S\$703,387,000. The aggregated value at risk of the Proposed Disposal, Proposed Joint Venture and the Proposed Provision of Services expressed as a percentage of the Group's latest audited consolidated NTA value for FY2022 is approximately 26.5%. As this value exceeds 5% of the Group's latest audited consolidated NTA value for FY2022, pursuant to Rule 906 of the Listing Manual, each of the Proposed Disposal, Proposed Joint Venture and Proposed Provision of Services constitutes an interested person transaction which is subject to the approval of the Shareholders.

9. OPINION OF THE IFA

Rule 921 of the Listing Manual provides that, where shareholders' approval is required for an interested person transaction, the shareholders' circular must include an opinion from an independent financial adviser as to whether such transaction is on normal commercial terms and if it is prejudicial to the interests of the company and its minority shareholders.

The Company has appointed W Capital Markets Pte. Ltd. as the IFA to provide an opinion on whether the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders (the "**IFA Opinion**").

A copy of the IFA Opinion dated 11 April 2024 from the IFA, containing the IFA Opinion in full, is set out in **Appendix A** of this Circular. Shareholders are advised to read the IFA Opinion carefully and in its entirety. The advice of the IFA has been extracted from the IFA Opinion and is reproduced in italics below:

"In arriving at our opinion in relation to the Proposed Transactions, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Paragraph 4 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), including, inter alia, the following:

- (i) *The rationale for and benefits of the Proposed Transactions, details of which are set out in Paragraph 4.1 of this IFA Letter;*
- (ii) *Historical financial performance and financial position of the Target, details of which are set out in Paragraph 4.2 of this IFA Letter;*
- (iii) *Assessment on the basis and justification of the Consideration, details of which are set out in Paragraph 4.3 of this IFA Letter;*
- (iv) *Assessment on the key terms of the Shareholders' Agreement and Shareholders' Loan, details of which are set out in Paragraph 4.4 of this IFA Letter;*
- (v) *Assessment on the key terms of the Proposed Provision of Services, details of which are set out in Paragraph 4.5 of this IFA Letter; and*
- (vi) *Other relevant considerations for the Proposed Transactions, details of which are set out in Paragraph 4.6 of this IFA Letter.*

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal, the Proposed Joint Venture (including the provision of the Shareholders' Loans) and the Proposed Provision of Services are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders."

10. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee, having reviewed the terms of the Proposed Disposal and the Proposed Joint Venture, the rationale for the Proposed IPTs and all other relevant information set out in this Circular, and having considered the advice of the IFA, concur with the IFA and are of the view that the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

11.1 Interests in Shares

As at the Latest Practicable Date, the interests of Directors and substantial shareholders of the Company in the Shares, based on the Company's register of interest of Directors and register of substantial shareholders respectively, are as follows:

	Direct Interests		Deemed Interests	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Goh Yeow Lian ⁽²⁾	7,063,000	0.77	402,194,872	43.75
Goh Yew Tee ⁽³⁾	3,159,416	0.34	15,550,000	1.69
Goh Yeo Hwa ⁽⁴⁾	11,508,900	1.25	36,799,257	4.00
Goh Yew Gee ⁽⁵⁾	12,000,000	1.31	8,000,000	0.87
Teo Choon Kow @ William Teo	-	-	-	-
Wong Kwan Seng Robert	225,000	0.02	-	-
Substantial Shareholders				
Goh Yeow Lian ⁽²⁾	7,063,000	0.77	402,194,872	43.75
Goh Yeo Hwa ⁽⁴⁾	11,508,900	1.25	36,799,257	4.00
GSC Holdings Pte. Ltd.	349,159,000	37.98	-	-

Notes:

- (1) Based on the issued share capital of 919,245,086 Shares (excluding 16,671,000 treasury shares) as at the Latest Practicable Date.

- (2) Goh Yeow Lian is deemed to have an interest in the following shares:
 - (i) 349,159,000 Shares held by GSC Holdings Pte. Ltd. through his interest in GSC Holdings Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act;
 - (ii) 5,300,000 Shares registered in the name of his spouse, Tan Ah Hio;
 - (iii) 8,216,000 Shares held by his spouse, Tan Ah Hio (registered in the name of Citibank Nominees Singapore Pte Ltd); and
 - (iv) 39,519,872 Shares registered in the name of Citibank Nominees Singapore Pte Ltd.
- (3) Goh Yew Tee is deemed to have an interest in the following shares:
 - (i) 5,550,000 Shares registered in the name of OCBC Securities Private Limited; and
 - (ii) 10,000,000 Shares registered in the name of Bank of Singapore.
- (4) Goh Yeo Hwa is deemed to have an interest in the following shares:
 - (i) 5,160,000 Shares registered in the name of his spouse, Liew Siew Keok; and
 - (ii) 31,639,257 Shares registered in the name of Raffles Nominees (Pte) Ltd.
- (5) Goh Yew Gee is deemed to have an interest in the 8,000,000 Shares registered in the name of his spouse, Yu Siok Gek.

12. DIRECTORS' RECOMMENDATION

Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee, being the interested persons who are members of the Board, have abstained from the Board's review and determination, and making recommendation to Shareholders, in relation to the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services.

12.1 Proposed Business Diversification

Having considered, among others, the rationale for the Proposed Business Diversification, the Directors are of the opinion that the Proposed Business Diversification is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution relating to the Proposed Business Diversification as set out in the Notice of EGM at the forthcoming EGM.

12.2 Proposed Disposal

Having considered, among others, the terms and rationale for the Proposed Disposal, the IFA Opinion and all other relevant information set out in this Circular, the Independent Directors are of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Disposal as set out in the Notice of EGM.

12.3 Proposed Joint Venture

Having considered, among others, the terms and rationale for the Proposed Joint Venture, the IFA Opinion and all other relevant information set out in this Circular, the Independent Directors are of the opinion that the Proposed Joint Venture is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Joint Venture as set out in the Notice of EGM.

12.4 Proposed Provision of Services

Having considered, among others, the rationale for the Proposed Provision of Services, the IFA Opinion and all other relevant information set out in this Circular, the Independent Directors are of the opinion that the Proposed Provision of Services is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Provision of Services as set out in the Notice of EGM.

Shareholders are advised to read this Circular in its entirety, in particular the terms of, and rationale for, the Proposed Resolutions. In giving the above recommendations, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

13. EXTRAORDINARY GENERAL MEETING

The EGM will be held physically at Aloft Singapore Novena, 16 Ah Hood Road, Singapore 329982 on 26 April 2024, at 12.00 noon (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 11.00 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM including. There will be no option for Shareholders to participate virtually.

The Company has opted for electronic dissemination of this Circular and printed copies of this Circular will not be sent to Shareholders. Shareholders can access the Circular Notice of EGM and Proxy Form on the SGX website and the Company's website at the URL <https://www.weehur.com.sg>. Printed copies of the Notice of EGM, Proxy Form along with the Request Form will still be sent to Shareholders.

Any Shareholder who wishes to request for a printed copy of the Circular should complete the Request Form and return it to the Company by post to the Company's registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814, or if by electronic mail to general@weehur.com.sg enclosing a clear scanned completed and signed Request Form, to be received by the Company no later than 18 April 2024.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the proxy form published together with the Notice of EGM in accordance with the instructions printed therein as soon as possible and submit to the Company in the following manner:

- (a) If submitted by post, be lodged at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) If submitted electronically, to submit via email to the Company's share registrar at srs.proxy@boardroomlimited.com,

in either case not later than seventy-two (72) hours before the time appointed for the EGM, i.e. no later than 12.00 noon on 23 April 2024. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder 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 proxy form, to the EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than seventy-two (72) hours before the time fixed for the EGM or any adjournment thereof.

For further information, please refer to the Notice of EGM, proxy form and the Company's announcement dated 11 April 2024 which have been uploaded together with this Circular on the SGX website and the Company's website at the URL <https://www.weehur.com.sg>, including the steps to be taken by Shareholders to participate at the EGM.

15. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual provides that interested persons and their Associates must not vote on any shareholders' resolutions approving any mandate or renewal thereof in respect of any interested person transaction under Chapter 9 of the Listing Manual, nor accept appointments as proxies unless specific instructions as to voting are given.

Accordingly, the Goh Directors and their respective Associates, being interested persons under Chapter 9 of the Listing Manual, will abstain and have undertaken to ensure that each of their Associates³ will abstain from voting on Ordinary Resolutions 2, 3 and 4 to be tabled at the EGM.

³As at the Latest Practicable Date, the interested persons and their Associates and who will abstain from voting are the Goh Directors, Goh Yeu Toh, Goh Yew Lay (both brothers of the Goh Directors), GSC Holdings Pte. Ltd. (a company where the

Further, each of the interested persons undertakes to decline, and shall ensure that their Associates shall decline, to accept appointment as proxies to attend and vote at the EGM unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

16. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Opinion and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

17. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND CONSTITUTION

The Company confirms that the Proposed Resolutions do not contravene any laws and regulations governing the Company and the Constitution.

18. DIRECTORS' 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 Resolutions, and the Group 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.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2023;
- (c) the IFA Opinion;
- (d) the Sale and Purchase Agreement;
- (e) the draft Shareholders' Agreement; and
- (f) the letter of consent referred to in Section 16 of this Circular.

The Shareholders who wish to inspect the said document should contact the Company at the email address: general@weehur.com.sg to make an appointment.

Yours faithfully
for and on behalf of the Board of Directors of
Wee Hur Holdings Ltd.

Teo Choon Kow @ William Teo
Lead Independent Director

interested persons collectively holds 72% of the equity interest), Tan Ah Hio (the spouse of Goh Yeow Lian), Liew Siew Keok (the spouse of Goh Yeo Hwa), Liu Li (the spouse of Goh Yew Lay), Yu Siok Gek (the spouse of Goh Yew Gee), Gaw Chu Lan (the sister of the Goh Directors), Goh Wee Ping, Goh Wee Shian and Goh Shi Hui (the sons and daughter of Goh Yeow Lian), and Goh Liyan (the daughter of Goh Yeu Toh).

APPENDIX A

**LETTER FROM IFA
TO THE INDEPENDENT DIRECTORS OF THE COMPANY**

APPENDIX A – IFA LETTER



W CAPITAL MARKETS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street, #43-01 OCBC Centre
Singapore 049513

11 April 2024

The Directors of Wee Hur Holdings Ltd. (the “**Company**”) who are considered independent in relation to the Proposed Transactions (the “**Independent Directors**”) and the Audit Committee

Dear Sirs,

- (1) **THE PROPOSED DISPOSAL OF 7,500 ORDINARY SHARES REPRESENTING 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ACTIVE SYSTEM DEVELOPMENT PTE. LTD. TRANSACTION FOR A CONSIDERATION OF S\$7,500 AS AN INTERESTED PERSON TRANSACTION;**
- (2) **THE PROPOSED JOINT VENTURE IN ACTIVE SYSTEM DEVELOPMENT PTE. LTD. AMONGST WEE HUR DORMITORY PTE. LTD., WM (SOON LEE) PTE. LTD. AND TS MANAGEMENT SERVICES PTE. LTD. AND THE PROVISION OF SHAREHOLDER’S LOANS IN AN AGGREGATE VALUE OF S\$33,180,000 AS AN INTERESTED PERSON TRANSACTION; AND**
- (3) **THE PROPOSED PROVISION OF SERVICES BY THE GROUP TO ACTIVE SYSTEM DEVELOPMENT PTE. LTD. IN RELATION TO THE PROPOSED JOINT VENTURE IN THE AGGREGATE VALUE OF S\$153,289,000 AS AN INTERESTED PERSON TRANSACTION.**

(COLLECTIVELY KNOWN AS THE “PROPOSED TRANSACTIONS”)

*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the circular to shareholders of the Company dated 11 April 2024 (the “**Circular**”).*

1. INTRODUCTION

On 1 April 2024 (“**Announcement Date**”), the Company announced that Wee Hur Dormitory Pte. Ltd. (“**Wee Hur Dormitory**” or the “**Vendor**”), a wholly owned subsidiary of the Company, had entered into a sale and purchase agreement (“**Sale and Purchase Agreement**”) with WM Dormitory (Soon Lee) Pte. Ltd. (“**WM Soon Lee**” or the “**Purchaser**”) pursuant to which the Vendor agrees to sell, and the Purchaser agrees to purchase, 15% of the Vendor’s shareholding interest in Active System Development Pte. Ltd. (“**ASD**” or the “**Target**”), an indirect subsidiary of the Company (the “**Sale Shares**”) (the “**Proposed Disposal**”).

Upon Completion of the Proposed Disposal, the shareholding interests of the Vendor and the Purchaser will be 60% and 15% respectively. For the avoidance of doubt, the remaining 25% shareholding interest in the Target is held by TS Management Services Pte. Ltd (“**TS Management**”). TS Management, its directors and shareholders are not related to any of the Company’s Directors, controlling Shareholders, chief executive officer or their respective Associates. As at the Latest

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Practicable Date, TS Management, its directors and shareholders do not hold Shares in the Company.

On Completion of the Proposed Disposal, the Vendor, the Purchaser and TS Management (collectively, the “**JV Partners**”) will enter into a shareholders’ agreement (the “**Shareholders’ Agreement**”) which sets out the financial, managerial, administrative and other arrangements agreed between the parties as joint venture partners in the Target, and the manner in which the business and affairs of the Target will be regulated (the “**Proposed Joint Venture**”). Pursuant to the Proposed Joint Venture and the Shareholders’ Agreement, the JV Partners have agreed to provide loans to the Target (“**Shareholders’ Loans**”), in proportion to the respective shareholding interest of the JV Partners, for the purposes of, amongst others, undertaking the construction of Pioneer Lodge, a Purpose-Built Dormitory (“**PBD**”) for worker with a capacity of 10,500 beds located at Soon Lee Road (the “**Project**”). Further details on the Proposed Joint Venture and Shareholders’ Loans are set out in Paragraph 3.2 of this IFA Letter.

Pursuant to the Proposed Disposal and Proposed Joint Venture, the Group will provide construction services, project management services and corporate support services to the Target for the purposes of the Project (the “**Proposed Provision of Services**”). Further details on the Proposed Provision of Services are set out in Paragraph 3.3 of this IFA Letter.

As at the Latest Practicable Date, the Goh Directors together with their Associates hold an aggregate of 74 ordinary shares, representing 74% of the issued and paid-up share capital of WM Soon Lee. The Goh Directors are also directors and shareholders of the Company. Mr. Goh Yeow Lian is a controlling shareholder of the Company. Also, the Goh Directors are deemed to be interested in 75% of the shareholding interests in ASD held by Wee Hur Dormitory (60%) and WM Dormitory (15%) as the Goh Directors and their Associates hold (directly and indirectly) (i) approximately 60.47% of the shareholding interests in the Company and (ii) 100% of the shareholding interests in WM Dormitory.

WM Soon Lee and ASD is therefore each regarded to be an Associate of the Goh Directors and as such, would be regarded to be an “interested person” within the meaning defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”). Accordingly, the Proposed Transactions constitute “interested person transactions” under Chapter 9 of the Listing Manual.

Pursuant to Rule 921(4)(a) of the Listing Manual, the Company has appointed W Capital Markets Pte. Ltd. (“**W Capital**”) as the independent financial adviser (“**IFA**”) to express an opinion on whether the Proposed Transactions, being interested person transactions (“**IPTs**”), are on normal commercial terms and whether the Proposed Transactions are prejudicial to the interests of the Company and its minority Shareholders, as well as advise the Independent Directors and the Audit Committee for the purpose of making recommendations to the minority Shareholders in respect of the Proposed Transactions. This letter (“**IFA Letter**”) sets out, *inter alia*, our evaluation and opinion on the Proposed Transactions and forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Transactions.

2. TERMS OF REFERENCE

W Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual to provide an opinion in respect of the Proposed Transactions as IPTs to enable independent Shareholders to make an informed voting decision. We were not involved in or responsible for the discussions in relation to the Proposed Transactions, nor were we involved in the deliberation leading up to the decision on the part of the directors of the Company (“**Directors**”) to enter into the Proposed

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Transactions. Further, we do not warrant the merits of the Proposed Transactions, other than to express an opinion on whether the Proposed Transactions as IPTs are on normal commercial terms and whether the Proposed Transactions are prejudicial to the interests of the Company and its minority Shareholders, and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Transactions.

In the course of our evaluation, we have held discussions with the management of the Company (“**Management**”) and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” in Section 18 of the Circular.

For the purpose of assessing the terms of the Proposed Transactions, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group. We have not made any independent appraisal of the assets, liabilities and/or profitability of the Group and we do not express a view on the financial position, future growth prospects and earning potential of the Group after the completion of the Proposed Transactions in accordance with the terms of the Sale and Purchase Agreement as well as the Shareholders’ Agreement. As such, where applicable, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and/or profitability of the Target or the Group, as the case may be.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 1 April 2024 (“**Latest Practicable Date**”) and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Transactions, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice in relation to the Proposed Transactions, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

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Our opinion in relation to the Proposed Transactions should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE PROPOSED TRANSACTIONS

3.1 The Proposed Disposal

3.1.1 Background and information on the Target

The Target is a private company limited by shares incorporated in Singapore, and has an issued and paid-up share capital of S\$50,000 comprising 50,000 ordinary shares. The principal business activity of the Target is to undertake the development of the Project.

As at the Latest Practicable Date, the Target is a 75% owned subsidiary of Wee Hur Dormitory, a wholly-owned subsidiary of the Company. The remaining 25% equity interest in the Target is owned by TS Management, an independent and unrelated party.

3.1.2 Information on the Purchaser

WM Soon Lee is a private company incorporated in Singapore. As at the Latest Practicable Date, Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee who are related to one and another (the “**Goh Directors**”) together with their Associates hold an aggregate of 74 ordinary shares, representing 74% of the issued and paid-up share capital of WM Soon Lee.

The remaining 26 ordinary shares, representing 26% of the issued and paid-up share capital of WM Soon Lee, are held by Sua Investment Pte. Ltd. (11%), Cheng Kiang Huat (11%), Goh Cheng Huah (2%) and Lu Tze Chern (2%). Other than Goh Cheng Huah and Lu Tze Chern who are unrelated third parties, Sua Investment Pte. Ltd. is held by Goh Cheng Hiong and her immediate family. Goh Cheng Hiong and Cheng Kiang Huat are immediate family members of the Goh Directors.

3.1.3 Salient terms of the Sale and Purchase Agreement

The detailed salient terms of the Sale and Purchase Agreement can be found in Section 5.2 of the Circular and we recommend that Shareholders read those pages of the Circular carefully.

(i) The Sale Shares

Wee Hur Dormitory is the beneficial owner of 75% of the shareholding interests in the Target. Pursuant to the terms of the Sale and Purchase Agreement, Wee Hur Dormitory has agreed to sell to the WM Soon Lee, and WM Soon Lee has agreed to purchase from Wee Hur Dormitory, the Sale Shares comprising 7,500 ordinary shares representing 15% of the issued and paid-up share capital of the Target, upon the terms and conditions set out in the Sale and Purchase Agreement. After Completion, WM Soon Lee will hold 15% of the issued shares and Wee Hur Dormitory will hold 60% of the issued shares in the Target respectively.

(ii) Consideration

The Consideration for the Sale Shares is S\$7,500. The Consideration was determined based on arm’s length negotiations between Wee Hur Dormitory and WM Soon Lee and was arrived at on a willing-buyer and willing-seller basis after taking into account, *inter alia*, the capital

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contribution by Wee Hur Dormitory and the existing Shareholder's Loan provided by Wee Hur Dormitory to the Target.

As at 31 December 2023, the Target has negative NTA or net tangible liabilities of approximately S\$10.1 million. As at the Latest Practicable Date, the capital contribution by Wee Hur Dormitory is S\$37,500 and the aggregate Shareholder's Loan provided by Wee Hur Dormitory to the Target is in the amount of S\$14.7 million.

(iii) Completion under the Sale and Purchase Agreement

On Completion under the Sale and Purchase Agreement, the following shall take place:

- (a) the Vendor shall deliver to the Purchaser the following:
 - (i) the share certificate in respect of the Sale Shares;
 - (ii) valid and registrable transfers in respect of the Sale Shares duly executed by the Vendor transferring the legal and beneficial ownership of the Sale Shares to the Purchaser;
 - (iii) duly passed resolutions of the board of directors of the Target approving the transfer of the Sale Shares; and
 - (iv) other such documents as may be necessary to complete the sale and purchase of the Sale Shares,
- (b) against concurrent satisfaction of the above, the Purchaser shall pay to the Vendor the Consideration in cleared funds.

3.2 The Proposed Joint Venture and Shareholders' Loan

3.2.1 Background of the Proposed Joint Venture and Shareholders' Loan

Upon completion of the Proposed Disposal, the shareholding interests of Wee Hur Dormitory, WM Soon Lee and TS Management in the Target will be 60%, 15% and 25% respectively. Under the Proposed Joint Venture, the JV Partners will enter into the Shareholders' Agreement to govern, amongst others, their rights and obligations as JV Partners of the Target.

In connection with the Proposed Joint Venture and pursuant to the Shareholders' Agreement, the JV Partners will provide the Shareholders' Loans in accordance with their shareholding proportion in the Target for the purposes of, amongst others, undertaking construction of the Project.

3.2.2 Details of the Project

In September 2019, ASD was awarded the tender for the land for the Project. The Project will be developed on a 39,000 square metres land at Soon Lee Road, Singapore and will consist of 10,500 beds.

Due to the disruptions caused by COVID-19, construction was suspended for four (4) years and the Group will re-commence the Project in March 2024. The Group has incurred abortive costs of approximately S\$10.1 million arising from rental fees, administrative fees and construction works. Pursuant to the Proposed Disposal and the Proposed Joint Venture, WM Soon Lee as the Purchaser

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and JV Partner has agreed to share the burden of these abortive costs on a pro rata basis by reference to its shareholding percentage in the Target.

3.2.3 Principal terms of the Shareholders' Agreement

In accordance with the Shareholders' Agreement, the risks and rewards of the Proposed Joint Venture are in proportion to the shareholding interests of the JV Partners. It is contemplated that the JV Partners shall provide the Shareholders' Loans, for the funding of the Project, in the aggregate amount of approximately S\$70 million (which includes all existing shareholders' loans) in accordance with their shareholding proportion in the Target. The amount of S\$70 million is based on an estimation of the loan facilities and development costs in relation to the Project.

The funding from the Shareholders' Loans will be channeled towards the following:

- (i) construction costs of the Project;
- (ii) project management fees for the Project;
- (iii) the monthly rent for the lease of the land for the Project to be paid to the Building and Construction Authority ("**BCA**");
- (iv) the monthly administration fee to be paid to BCA in relation to the Project; and
- (v) payment of interest on bank borrowings.

The principal terms of the Shareholders' Agreement can be found in Section 6.2 the Circular and we recommend that Shareholders read those pages of the Circular carefully. We have set out the key terms of the Shareholders' Agreement below for reference:

(i) Board of Directors

The Target shall comprise of five (5) directors. The composition of the board of directors of the Target shall initially comprise three (3) directors appointed by Wee Hur Dormitory, one (1) director appointed by WM Soon Lee and one (1) director appointed by TS Management. A director nominated by Wee Hur Dormitory shall be the chairman of the board but the chairman shall not have any casting vote. The proposed board members are Mr. Goh Yeow Lian, Mr. Goh Yew Tee, Mr. Goh Yeo Hwa, Mr. Goh Yew Gee and Mr. Shamkumar s/o Subramani.

The quorum at a board meeting shall be any two (2) directors with at least one director appointed by Wee Hur Dormitory. All resolutions of board meeting shall be passed by a simple majority of vote by the directors present at the meeting.

(ii) General Meetings

The quorum at a general meeting of the Target shall be two (2) shareholders present in person or in proxy. All shareholders' resolutions shall be passed by a simple majority of votes cast by the shareholders who are present and voting.

(iii) Reserved Matters

The approval of each shareholder of the Target is required to decide on the various reserved matters as set out in the Shareholders' Agreement which are as follows:

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- (a) any change in the nature and/or scope of the business of the Target;
 - (b) the dissolution, liquidation, or winding up of the Target;
 - (c) save as provided in the Shareholders' Agreement, any increase in the share capital of the Target or the issue or grant of any option over the unissued share capital of the Target or the issue of any new class of shares in the capital of the Target or the issuing of any convertible securities by the Target;
 - (d) any repurchase, cancellation or redemption of the Target's share capital or any reduction, consolidation, subdivision or reclassification or other alteration of its capital structure;
 - (e) any amalgamation or reconstruction of the Target, or any merger of the Target with any corporation, firm or other body; and
 - (f) any public offering or listing or quotation of the shares or other equity of the Target on any stock exchange.
- (iv) Transfer of the Shares
- (a) The shareholders are subject to pre-emptive rights in relation to the issue and transfer of shares in the Target. Any third-party subscriber(s) or transferee(s) of the shares of the Target shall be required to execute a deed of ratification and accession under which they shall agree to be bound by and be entitled to the benefit of the Shareholders' Agreement;
 - (b) The shareholders are subject to drag-along rights in a situation where Wee Hur Dormitory (being the drag-along selling shareholder), desires to transfer all of the shares held by it in the Target to a third-party purchaser may require all other shareholders (being the dragged-along shareholders) by giving notice in writing, to sell all the shares held by each of them (being the dragged along shares), to the third-party purchaser offering to purchase all the shares in the Target, on terms and conditions (including price) no less favourable to the dragged-along shareholders than those offered to the drag-along selling shareholder; and
 - (c) The shareholders are subject to tag-along rights in a situation where Wee Hur Dormitory (being the tag-along selling shareholder), desires to transfer shares held by it in the Target or more to a third-party purchaser or to another shareholder (being the tag-along purchaser), the tag-along selling shareholder shall give notice in writing to the other shareholders (being the tag-along seller) of such desire and enclosing an offer made by the tag-along purchaser to purchase all (and not some only) of the shares in the Sale Company held by the tag-along seller on terms and conditions (including price) that are no less favourable than those available to the tag-along selling shareholder, for acceptance by the tag-along seller.

For the avoidance of doubt, the dragged-along shareholders shall be bound to sell the dragged-along shares if the terms and conditions (including price) are no less favourable to the dragged-along Shareholders than those offered to the drag-along selling shareholder.

(v) Funding

The finance for the business of the Target shall be provided by the following financing means:

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- (a) by way of shareholders' loans to be provided by shareholders to the Target on such terms as the board of the Target may agree, provided that such terms shall be identical for each shareholder and the quantum of the principal amount of such shareholders' loans to be provided by each shareholder shall be on a pro rata basis by reference to its shareholding proportion in the Target; and
- (b) by way of loans and other credit facilities from bank, financial institutions or other third parties on such terms as the board of the Target may agree. Where any financing by the shareholders of the Target is to be provided, such financing (including the provision of any guarantee or security) shall be provided by each shareholder on a several basis, on a pro rata basis by reference to its shareholding proportion in the Target.

All of the Shareholders' Loans will be extended by the JV Partners in accordance with their shareholding proportion in the Target and on the same terms and conditions. None of the interested persons have any existing interests in the Target prior to the participation of the JV Partners.

3.3 The Proposed Provision of Services

3.3.1 Background

As a result of the Proposed Disposal and the Proposed Joint Venture, the provision of construction services, project management services and corporate support services by the Group to the Target will become interested person transactions pursuant to Chapter 9 of the Listing Manual.

The Group will provide the following services to the Target for the purposes of the Project:

- (a) construction services which will be provided by Wee Hur Construction Pte. Ltd. ("**WH Construction**"), a wholly owned subsidiary of the Company;
- (b) project management services which will be provided by Wee Hur Development Pte. Ltd ("**WH Development**"), a wholly owned subsidiary of the Company; and
- (c) corporate support services which will be provided by Wee Hur Dormitory, a wholly owned subsidiary of the Company,

(collectively, the "**Proposed Services**")

The principal terms of the Proposed Provision of Services and the details on the scope of the Proposed Services can be found in Section 7 and Appendix E of the Circular respectively. We recommend that Shareholders read those pages of the Circular carefully. The terms and scope of the Proposed Services will remain largely consistent before and after the entry into the relevant agreements save for adjustments to pricing which were implemented in response to market conditions and the incorporation of the latest designs.

We have set out the principal terms of the respective agreements entered into by the Group with the Target pursuant to the Proposed Provision of Services below for reference:

3.3.2 Principal terms of the Construction Services Agreement

The principal terms of the letter of award entered into on 7 March 2024 pursuant to which Wee Hur Construction shall provide construction services to the Target ("**Construction Services Agreement**") are as follows:

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Parties	:	(1) Wee Hur Construction (as the service provider) (2) ASD
Services	:	Construction services. Please refer to Appendix E of the Circular for the full scope of services.
Contract sum	:	Aggregate of S\$138,500,000 (excluding GST), to be paid on a monthly basis as progress payments.
Contract period	:	1 March 2024 to 31 October 2025 (which is the completion date inclusive of obtaining the Temporary Occupational Permit (“ TOP ”))
Basis of calculation of Fees	:	The fees shall be on normal commercial terms and on arm’s length basis, based on the opinion of an independent third-party professional quantity surveyor who will be appointed to verify, based on its expertise and experience, that the construction costs for the project is at least comparable to or higher than the market rates for substantially similar projects or projects contemporaneous in time.
Governing law	:	Laws of Singapore

3.3.3 Principal terms of the Project Management Services Agreement

The principal terms of the services agreement entered into on 1 January 2024 pursuant to which Wee Hur Development shall provide project management services to the Target (“**Project Management Services Agreement**”) are as follows:

Parties	:	(1) Wee Hur Development (as the service provider) (2) ASD
Services	:	Project management services. Please refer to Appendix E of the Circular for the full scope of services.
Fees	:	Aggregate of S\$2,000,000 (excluding GST).
Contract period	:	1 January 2024 until the issuance of the Certification of Statutory Completion (“ CSC ”) or the expiry of the Defect Liability Period (“ DLP ”), whichever is the later.
Basis of calculation of Fees	:	The fees which are charged by Wee Hure Development are generally equivalent to approximately 1% to 3% of the construction costs, in line with prevailing market practice.

The management team of Wee Hur Development will determine the material terms of the project management services in relation to the said project (including the project management fees), taking into account the construction costs for the project, complexity of the project, duration of the development and prevailing market practice.

Governing law	:	Laws of Singapore
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The breakdown of the Project Management Services Agreement contract sum is as follows:

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Stage	Description	Proportion of Project Management Fee payable (%)
A	Upon completion of preparing design for application to be made for planning approval	5%
B	Upon obtaining provisional planning for the development	5%
C	Upon obtaining written permission approval for the development	5%
D	Upon completion of preparing building plans for application to be made for building plan approval	5%
E	Upon obtaining building plan approval	10%
F	Upon completion of the building contract document stage	5%
G	Upon award of the building contract tender	10%
H	During the construction period in equal monthly instalments	40%
I	Upon receipt of TOP	5%
J	Upon the issue of CSC	5%
K	End of DLP (12 months from TOP)	5%
		<u>100%</u>

3.3.4 Principal terms of the Corporate Support Services

The principal terms pursuant to which Wee Hur Dormitory shall provide corporate support services to the Target set out in the Shareholders' Agreement are as follows:

- Parties : (1) Wee Hur Dormitory (as the service provider)
(2) ASD
- Services : Corporate support services. Please refer to Appendix E of the Circular for the full scope of services.
- Fees : Aggregate of S\$216,000 (excluding GST) per year on the basis of S\$18,000 (excluding GST) per month until such time ASD is wound up.
- For the first year, the aggregate fees shall be approximately S\$144,000 (excluding GST) which is calculated on a pro rated basis commencing from date of the Shareholders' Agreement (assuming the Shareholders' Agreement is entered into on 1 May 2024) up to the end of the financial year.
- Basis of calculation of Fees : The fees, as mutually agreed amongst the joint venture partners, are calculated based on the costs of the overheads, market rate salaries of the Group's manpower assigned to ASD, which consists of two accountants, one human resource/administrative staff member, and one manager.
- Governing law : Laws of Singapore

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4. EVALUATION OF THE PROPOSED TRANSACTIONS

In arriving at our opinion on whether the Proposed Transactions are on normal commercial terms and whether the Proposed Transactions are prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- (i) Rationale for and benefits of the Proposed Transactions;
- (ii) Historical financial performance and financial position of the Target;
- (iii) Assessment on the basis and justification of the Consideration;
- (iv) Assessment on the key terms of the Shareholders' Agreement and Shareholders' Loan;
- (v) Assessment on the key terms of the Proposed Provision of Services; and
- (vi) Other relevant considerations in relation to the Proposed Transactions.

4.1 Rationale for and Benefits of the Proposed Transactions

We have considered the rationale by the Company for the Proposed Disposal, the Proposed Joint Venture and the Proposed Provision of Services which can be found in Sections 5.3, 6.3 and 7.5 of the Circular respectively and have been extracted and set out in italics below:

“5.3 Rationale and Benefits of the Proposed Disposal

The Proposed Disposal is to facilitate and is in connection with the establishment of the Proposed Joint Venture between Wee Hur Dormitory, WM Soon Lee and TS Management. The rationale for the Proposed Joint Venture is set out in Section 6.3 below.”

“6.3 Rationale and Benefits of the Proposed Joint Venture

The Target was awarded the tender for the land for the Project on 6 September 2019. As a result of the Covid-19 pandemic, the Group could not proceed with further construction works for the Project. Following the Covid-19 pandemic and subsequent discussions with the Building Construction Authority (“BCA”), the terms of the sub-tenancy agreement for the Project were revised on 28 December 2023 to adhere to new regulatory standards implemented for PBD such as specifications on the facilities and spacing requirements in order to mitigate the risk of future pandemics. As a result of these revisions, the construction costs for the Project have increased significantly to comply with the aforementioned new regulatory standards for PBD.

Following the Covid-19 pandemic, a prevailing high-interest environment and uncertain political climate with the Russia-Ukraine war have contributed towards an upward pressure on material and labour costs. Having regard to these factors, the Group is facing a sharp increase in construction costs for the Project. This increase in construction costs due to the expenses already incurred prior to the revision of the terms of the sub-tenancy agreement for the Project, and the financing costs of the Project being significantly higher than previously anticipated by the Group. Accordingly, the Group is seeking to reduce its shareholding interest in the Target to reduce its capital commitment to the Target and funding for the Project.

During the period between the award of the tender for the Project on 6 September 2019 up to entry into of the revised sub-tenancy agreement for the Project with BCA on 28 December 2023, the Group has incurred abortive costs of approximately S\$10.1 million arising from rental

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fees, administrative fees and construction works. Pursuant to the Proposed Disposal and the Proposed Joint Venture, WM Soon Lee as the Purchaser and JV Partner has agreed to share the burden of these costs (including all costs moving forward) on a pro rata basis by reference to its shareholding proportion in the Target.

As at the Latest Practicable Date, the aggregate Shareholders' Loans provided by Wee Hur Dormitory and TS Management is in the amount of S\$19.6 million of which S\$14.7 million and S\$4.9 million were provided by Wee Hur Dormitory (75%) and TS Management (25%) respectively, in accordance with their respective shareholding proportion in the Target.

As WM Soon Lee will hold 15% shareholding interests in the Target pursuant to the Proposed Disposal, WM Soon Lee will contribute S\$2,940,000 towards the Shareholders' Loans, equivalent to its 15% shareholding interest on the basis that it had contributed at inception of the joint venture, like the rest of the shareholders of the Target.

The amount of S\$2,940,000 will be reimbursed by WM Soon Lee to Wee Hur Dormitory directly in cash. Such reimbursement will result in the amount of the Shareholders' Loans contributed by Wee Hur Dormitory to decrease from S\$19.6 million to S\$11.76 million. The amount of the Shareholders' Loans contributed by TS remains unchanged.

Wee Hur Dormitory will contribute S\$30,240,000 towards the Shareholders' Loans proportionate to its 60% shareholding interest in the Target pursuant to the Proposed Disposal.

Given the above, the value of the Proposed Joint Venture will S\$33,180,000, being the aggregate of S\$2,940,000 and S\$30,240,000.

Other than the Proposed Joint Venture, the Board has not considered an alternative funding structure in relation to the Project as the Proposed Disposal and the Proposed Joint Venture is in line with the business model adopted by the Group since 2010 whereby the Goh Directors will hold not more than 30% interests in a joint venture to demonstrate assurance to unrelated third party investors as the Company and the Goh Directors commit to holding significant equity stakes in the joint venture. The Company prefers to adopt a prudent approach by relying on the internal resources of the Company to fund its capital contributions in the Target, thereby reducing the risk from funding through external financing or loans. Logically, a reduction of the Company's stake in ASD would correspondingly reduce the Company's risk exposure.

Accordingly, the Board is of the view that the Proposed Disposal and the Proposed Joint Venture are in the Company's best interests."

"7.5 Rationale for and Benefits of the Proposed Provision of Services

The Group is of the view that the Proposed Provision of Services allows the Group to capitalise more control over the construction process and the development timeline, and hence, facilitate the efficient completion of the Project:

- (a) In relation to the construction services, the engagement of Wee Hur Construction to provide the construction services for the Project allows the Group to control and maintain the quality of the development and investment projects as Wee Hur Construction has the required licences, track records and experience. The Group expects to achieve an increase in revenue and earning streams of Wee Hur Construction by undertaking the provision of construction services. In appointing Wee Hur Construction as the main contractor, the Group is able to afford preferential treatment to the Group such as negotiating for a waiver from the requirement to provide a performance bond (equivalent to 10% of the contract sum) unlike in its construction

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contracts with unrelated third parties where waivers of performance bonds are non-negotiable;

- (b) *In relation to the project management services, in appointing Wee Hur Development as the project manager, the Group is able to maintain effective control over the Project as the project manager is responsible for the overall project management (such as the scope of work as described in Appendix E) with a primary focus to ensure that the project is implemented in accordance with the contractual requirements. Similar to Wee Hur Construction, the Group expects to achieve an increase in revenue and earning streams of Wee Hur Development by undertaking the provision of project management services; and*
- (c) *In relation to the corporate support services, these services, which constitute the usual inter-company services for day-to-day operations, permit the sharing of resources, economies of scale and reduce duplication of efforts of the Group.”*

4.2 Historical financial performance and financial position of the Target

A summary of the audited income statement of the Target for the last two (2) financial years (“FY”) ended 31 December 2021 and 2022, as well as the unaudited income statement of the Target for FY2023 are set out below.

The Target’s Income Statement

S\$	FY2021 Audited	FY2022 Audited	FY2023 Unaudited
Other income - Interest	-	-	5,677
Net loss from fair value adjustment on investment property	(593,297)	(1,366,502)	-
Expenses			
- Administrative	(243,667)	(249,309)	(251,155)
- Finance	(189,703)	-	-
Loss before income tax	(1,026,667)	(1,615,811)	(245,478)
Income tax expense	-	-	-
Loss after tax and total comprehensive loss for the year	(1,026,667)	(1,615,811)	(245,478)

Source: The Company

Review of operating results

FY2021 vs FY2022

The Target did not recognise any revenue in FY2021 and FY2022 as the investment property is under development. The construction of the Project has been suspended since April 2020 due to local restrictions imposed and the change in design under the improved standards of new dormitories as a result of the COVID-19 pandemic. For the purpose of fair valuation, the Target has performed internal valuation of its investment property based on the cost approach and has recorded a net loss from fair value adjustment on investment property of approximately S\$0.6 million and S\$1.4 million for FY2021 and FY2022 respectively.

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Administrative expenses incurred during FY2022 comprised of legal and professional fee of S\$228,601 and office expenses of S\$20,708. Finance expenses incurred during FY2021 comprised of interest expense on lease liabilities. There were no finance expenses recognised in FY2022.

Overall, the Target recorded a higher net loss before and after income tax of approximately S\$1.6 million in FY2022 as compared to the net loss before and after income tax of approximately S\$1.0 million in FY2021. No income tax expenses were recognised for FY2021 and FY2022.

FY2022 vs FY2023

The Target recorded an interest income of S\$5,677 in FY2023. There is no fair value adjustment on the investment property being recorded by the Target in FY2023.

Administrative expenses incurred during FY2023 comprised of professional fee of approximately S\$239,779 and office expenses of approximately S\$11,377. Similar to FY2022, there were no finance expenses recognised in FY2022.

Overall, the Target recorded a lower net loss before and after income tax of approximately S\$0.2 million in FY2023 as compared to the net loss before and after income tax of approximately S\$1.6 million in FY2022, representing a decrease of S\$1.4 million or 84.8%. No income tax expense was incurred for FY2023.

The Target's Balance Sheet

(\$)	As at 31 December 2023
	Unaudited
Non-current assets	60,254,870
Current assets	864,363
Total assets	61,119,233
Non-current liabilities	50,291,194
Current liabilities	20,916,680
Total liabilities	71,207,874
Total equity	(10,088,641)
Total equity and liabilities	61,119,233

Source: The Company

As at 31 December 2023:

- (i) The total assets of the Target amounted to S\$61.1 million comprising non-current assets of approximately S\$60.3 million and current assets of approximately S\$0.9 million, representing 98.6% and 1.4% of total assets respectively. Non-current assets as at 31 December 2023 comprised of investment property of approximately S\$60.3 million, representing 98.6% of total assets. Current assets as at 31 December 2023 comprised mainly cash and bank balances of approximately S\$0.9 million, representing 1.4% of total assets.
- (ii) The total liabilities of the Target amounted to approximately S\$71.2 million comprising non-current liabilities of approximately S\$50.3 million and current liabilities of approximately S\$20.9 million, representing 70.6% and 29.4% of total liabilities respectively. Non-current liabilities as

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at 31 December 2023 mainly comprised of (i) borrowings of approximately S\$40.3 million and (ii) other payables of S\$10.0 million (being loans payable to Wee Hur Dormitory and a related party) representing 56.6% and 14.0% of total liabilities respectively. Current liabilities as at 31 December 2023 comprised mainly (i) trade and other payables of approximately S\$14.0 million and (ii) borrowings of approximately S\$6.9 million, representing 19.6% and 9.7% of total liabilities respectively.

- (iii) The shareholders' equity of the Target amounted to net liabilities of approximately S\$10.1 million comprised of (i) share capital of approximately S\$50,000 and (ii) accumulated losses of approximately S\$10.1 million.
- (iv) As at 31 December 2023, the Target's negative net asset value ("**NAV**") was approximately S\$10.1 million and the proportionate negative NAV of the Target attributable to Group's effective interest held through Wee Hur Dormitory of 75% as at the Latest Practicable Date would be approximately S\$7.6 million.

4.3 Assessment on the basis and justification of the Consideration

The basis and justification of arriving at the Consideration are set out in Section 5.2.2 of the Circular.

We note that the Consideration of S\$7,500 was arrived at on a willing-buyer and willing seller basis after taking into account, *inter alia*, the capital contribution by Wee Hur Dormitory of S\$37,500 and the existing Shareholder's Loan provided by Wee Hur Dormitory to the Target of S\$14.7 million. In addition, the Buyer will be reimbursing Wee Hur Dormitory an amount of S\$2,940,000 for its share (15%) of the existing Shareholder's Loan provided by Wee Hur Dormitory to the Target.

The computations of the above values are reconciled as follows:

	<u>S\$</u>
Initial capital contribution by Wee Hur Dormitory in the Target (for 75% stake)	37,500
Proportionate value based on a 15% stake in the Target (= 15% x (37,500 / 0.75))	<u>7,500</u>
Existing Shareholder's Loan provided by Wee Hur Dormitory to the Target	14,700,000
Proportionate value based on a 15% stake in the Target (= 15% x (14,700,000 / 0.75))	<u>2,940,000</u>

4.4 Assessment on the key terms of the Shareholders' Agreement and Shareholders' Loan

The summary of key terms of the Shareholders' Agreement can be found in Section 6.2 of the Circular. We have reviewed the key terms of the Shareholders' Agreement and note that the JV Partners have been assigned shareholder's rights and obligations pursuant to the Shareholders' Agreement that corresponds to their respective proportionate shareholding interests in the Target as summarised in the table below.

Shareholdings	Upon completion of the Proposed Disposal, the shareholding interests of Wee Hur Dormitory, WM Soon Lee and TS Management in the Target will be 60%, 15% and 25% respectively. Accordingly,
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	the Company will own 60% of the Target through its wholly owned subsidiary, Wee Hur Dormitory.
Board Composition	The board of directors of the Target shall consist of five (5) directors. Wee Hur Dormitory has the right to appoint three (3) directors out of five (5) directors for the Target, which corresponds to Wee Hur Dormitory's shareholding interests in the Target.
Reserved Matters	As the majority shareholder of the Target, Wee Hur Dormitory will be entitled to rights for reserved matters (per Schedule 2 of the Shareholders' Agreement) that requires the prior written approval of Wee Hur Dormitory's appointed director or Wee Hur Dormitory respectively.
Funding	Funding for the joint venture or the Target by way of shareholders loan will be on identical terms for each shareholder and quantum on a pro rata basis by reference to their respective shareholding interests in the Target. In this regard, it has been provided for in the Shareholders' Agreement that the Shareholders' Loan shall be non-interest bearing and in the aggregate amount of S\$70 million, to be provided by the JV Partners on a pro rata basis by reference to their respective shareholding percentages.
Pre-emption Rights	In the event if there are any issuance of new shares in the Target, the JV Partners will be on identical terms and proportionate to their respective shareholding interests in the Target.

4.5 Assessment of the key terms of the Proposed Provision of Services

The Management of the Company has confirmed that the Proposed Provision of Services to the Target in relation to the Project has been/will be conducted in the manner consistent with the methods and procedures set out under the Company's existing IPT general mandate (which was last renewed at the Company's AGM held on 28 April 2023). We have set out the methods and procedures for the calculation of fees in respect of the Proposed Provision of Services below for reference:

4.5.1 In respect of the Construction Services Agreement

An independent third-party professional quantity surveyor has been appointed to verify and has opined that the Project's construction costs are reasonable and in line with the current market price level for a development of such nature and therefore substantiates that the construction costs of the Project are on normal commercial terms and on arm's length basis.

4.5.2 In respect of the Project Management Services Agreement

The material terms of the project management services in relation to the Project (including the project management fees) will be determined by the management team of WH Development, taking into account the construction costs for the Project, complexity of the Project, duration of the development and prevailing market practice. The fees which are charged by WH Development are generally equivalent to approximately 1% to 3% of the construction costs which is in accordance with prevailing market practice.

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In this regard, we note that the fees payable to WH Development under the Project Management Services Agreement of S\$2,000,000 (excluding GST) is equivalent to approximately 1.44% of the aggregate construction costs of the Project pursuant to the Construction Services Agreement of S\$138,500,000 (excluding GST), which falls within the above-mentioned range of between 1% to 3%.

4.5.3 In respect of the Corporate Support Services

The Corporate Support Services fees have been mutually agreed between the JV Partners and are charged on a cost-recovery basis based on the costs of the overheads of the Group's manpower assigned to the Target, which consists of two accountants, one human resource/administrative staff member and one manager.

4.6 **Other relevant considerations in relation to the Proposed Transactions**

(i) No alternative offers from third parties

As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any other formal offer or proposal from any third party to acquire the Sale Shares from the Group.

(ii) Abstention from voting

As set out in Section 15 of the Circular, the Goh Directors will abstain, and will procure that their associates (being Goh Yeu Toh, Goh Yew Lay (both brothers of the Goh Directors), GSC Holdings Pte. Ltd. (a company where the interested persons collectively holds 72% of the equity interest), Tan Ah Hio (the spouse of Goh Yeow Lian), Liew Siew Keok (the spouse of Goh Yeo Hwa), Liu Li (the spouse of Goh Yew Lay), Yu Siok Gek (the spouse of Goh Yew Gee), Gaw Chu Lan (the sister of the Goh Directors), Goh Wee Ping, Goh Wee Shian and Goh Shi Hui (the sons and daughter of Goh Yeow Lian), and Goh Liyan (the daughter of Goh Yeu Toh)) will abstain from voting on Ordinary Resolutions 2, 3 and 4 to be tabled at the EGM, and will not accept appointments as proxies to vote at the EGM unless the independent Shareholders appointing them as proxies give specific instructions as to the manner in which they wish their votes to be cast at the EGM.

(iii) Conditionality of the Ordinary Resolutions

Shareholders should note, *inter alia*, that passing of the Ordinary Resolution 2 (in respect of the Proposed Disposal as an Interested Person Transaction), Ordinary Resolution 3 (in respect of the Proposed Joint Venture as an Interested Person Transaction) and Ordinary Resolution 4 (in respect of the Proposed Provision of Services as an Interested Person Transaction) are inter-conditional on each other as these resolutions are substantially related and facilitates the Group's undertaking the Project.

5. **OUR OPINION**

In arriving at our opinion in relation to the Proposed Transactions, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Paragraph 4 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), including, *inter alia*, the following:

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- (i) The rationale for and benefits of the Proposed Transactions, details of which are set out in Paragraph 4.1 of this IFA Letter;
- (ii) Historical financial performance and financial position of the Target, details of which are set out in Paragraph 4.2 of this IFA Letter;
- (iii) Assessment on the basis and justification of the Consideration, details of which are set out in Paragraph 4.3 of this IFA Letter;
- (iv) Assessment on the key terms of the Shareholders' Agreement and Shareholders' Loan, details of which are set out in Paragraph 4.4 of this IFA Letter;
- (v) Assessment on the key terms of the Proposed Provision of Services, details of which are set out in Paragraph 4.5 of this IFA Letter; and
- (vi) Other relevant considerations for the Proposed Transactions, details of which are set out in Paragraph 4.6 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal, the Proposed Joint Venture (including the provision of the Shareholders' Loans) and the Proposed Provision of Services are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared as required under Chapter 9 of the Listing Manual as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Transactions. The recommendation to be made by the Independent Directors to the Shareholders shall remain the responsibility of the Independent Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed Transactions.

This IFA Letter is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Sincerely
For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

APPENDIX B

SCOPE OF SERVICES OF THE FUND MANAGER

In its role as a fund manager, Wee Hur Capital performs the following services:

- (a) develop a business plan for the fund(s) in the short, medium and long term with a view to maximise returns;
- (b) purchase, transfer, acquire, hire, lease, license, exchange, dispose of, convey, surrender or otherwise deal with any real estate in furtherance of the investment policy and prevailing investment strategy of the particular fund(s);
- (c) supervise and oversee the management of real estate (including but not limited to lease audit, systems control, data management and business plan implementation);
- (d) generally advise on and procure through service providers, the maintenance of any real estate, including but not limited to such repair, painting, alteration, rebuilding and/or improvement of any real estate or assets incidental to the real estate which the fund manager considers to be necessary or desirable;
- (e) identifying, evaluating, directing and recommending to the Investment Committee the procurement of contractors for the development of real estate;
- (f) prepare and implement annual budgets for the fund, subject to the prior approval of such annual budgets by the Investment Committee, and the management and operation of the fund(s)' investment;
- (g) manage the preparation and production of annual performance reports as required by the relevant authorities for the fund(s);
- (h) make the necessary disclosures and/or reporting of information in relation to the fund(s) as may be required by the relevant laws, regulations and guidelines;
- (i) make available or ensure that there is made available to the Investment Committee within a reasonable time such oral or written information as the Investment Committee reasonably requires with respect to all matters relating to the fund(s);
- (j) prepare and monitor the financial and statutory accounts of the fund(s);
- (k) manage all tax affairs of the fund(s) including the appointment of advisors as required;
- (l) act in the best interests of the fund(s) and provide diligent and responsible management of the assets and losses;
- (m) manage real estate and assets incidental to the real estate through the procurement of service providers to carry out specified activities;
- (n) develop and maintain investor relations;
- (o) manage and supervise service providers for the conduct of project leasing, marketing and customer relationship management activities;
- (p) assessing the feasibility of various exit strategies and exit timing for investors and making recommendations to the Investment Committee;
- (q) prepare such property market reports which the fund manager considers to be relevant and appropriate;
- (r) carry out such other activities as the fund manager may consider necessary from time to time.

APPENDIX C

INVESTMENT PROCESS

The investment process consists of the following stages:

1. Acquisition

During the acquisition stage, Wee Hur Capital as the fund manager will actively source for lands suitable for development into PBSAs. At the same time, proper due diligence will be conducted. This includes in-depth market research on market rents, supply and demand analysis, town planning and design concept reviews and valuation opinions. The results of the due diligence would enable robust financial and business feasibility studies. This would be documented for the Exco for approval for the submission of tender to the vendor. If successful, pricing and terms will be negotiated with the vendor. When mutual agreement has been substantially reached, final approval will be obtained from the Exco for the purchase of the land. The Exco will in turn update the Board regularly with details of such new investment opportunities. Typically, a legal due diligence process and exclusivity period will ensue, and when all elements of due diligence have been satisfied, the transaction is concluded. This process can range from three to six months, depending on the complexity of the transaction.

2. Design and Development

During the design and development stage, Wee Hur Capital gathers professionals and consultants to design the intended PBSA, document it and obtain approval from the relevant authorities. Wee Hur Capital will also procure a contractor. As construction costs form a large part of the total project costs, the final recommendation will require approval by the Exco. This process typically takes between nine to twelve months.

3. Construction

Wee Hur Capital's role during this phase is to monitor the contractor's progress to ensure that it completes the building on time, within budget and with quality workmanship. During this phase, the design is further refined to take into considerations such as market changes, improvement of the product, value engineering etc. Construction of a facility will vary depending on the number of stories, size of the facility and the presence of basements.

4. Management of Assets

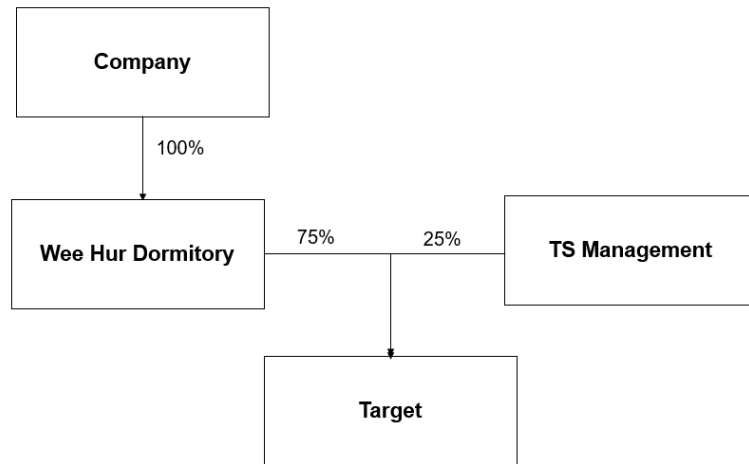
When the PBSA is completed, Wee Hur Capital, together with the property manager, will work together to fill the facility as well as manage and maintain the building. The role of Wee Hur Capital during this phase is to ensure that occupancies are optimised, costs are tightly controlled, and the building is maintained in good condition such that it remains in demand and relevant in the years to come.

5. Divestment of Assets

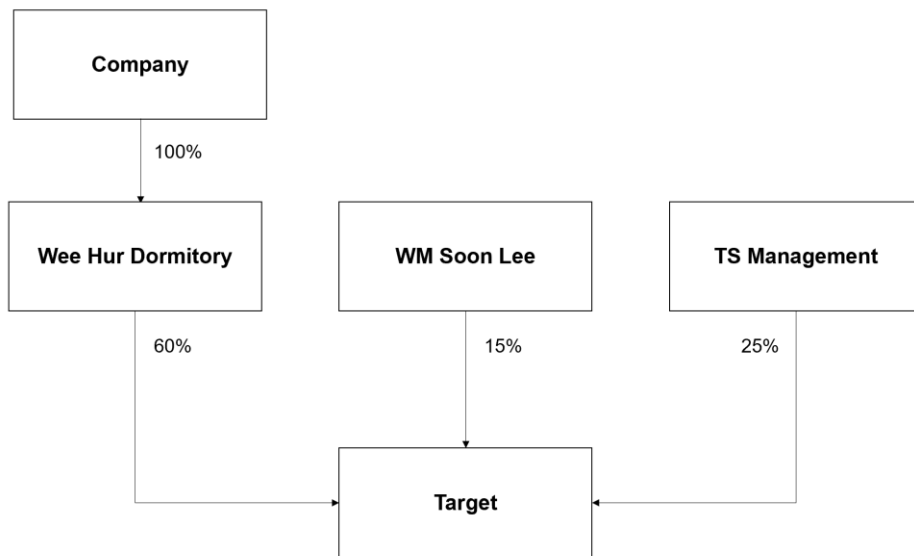
When the assets have stabilised in terms of operations and occupancy, Wee Hur Capital will start to utilise various approaches to devise an exit strategy in order to meet the targeted returns. Possible exit strategies include listing and trade sales via international expression of interests etc. All exit strategies and divestment decisions require approval by the Exco. Wee Hur Capital will brief the Board on any matters which require the Board's approval.

APPENDIX D
GROUP CHART

Prior to the Proposed Disposal



After the Proposed Disposal



APPENDIX E

SCOPE OF PROPOSED SERVICES

1. **Construction Services**

The scope of construction services to be provided by Wee Hur Construction in relation to the Proposed Joint Venture is as follows:

- (a) design and development of the projects including appointing the various consultants comprising architects, engineers, and other relevant professionals;
- (b) construction and completion of the projects including piling, structure, architectural work, mechanical and electrical services and landscaping works; and
- (c) any other such service which are incidental to or in connection with the above.

2. **Project Management Services**

The scope of project management services to be provided by Wee Hur Development in relation to the Proposed Joint Venture is as follows:

- (a) preparation of project design briefs and proposals taking into account the requirements of the relevant stakeholders and the authorities;
- (b) appointment and management of the main contractor and relevant consultants;
- (c) management of the projects to ensure timely completion and quality delivery of the Project;
- (d) management of completion, handover processes and to secure the relevant completion certifications from the authorities;
- (e) establishment of a defects management system to oversee rectification of defects; and
- (f) any other such service which are incidental to or in connection with the above.

3. **Corporate Support Services**

The scope of corporate support services to be provided by Wee Hur Dormitory in relation to the Proposed Joint Venture is as follows:

- (a) company secretariat, finance, treasury, accounting, legal and taxation, internal audit services ;
- (b) management and advisory services;
- (c) other administrative services which are incidental to or in connection with the above.

WEE HUR HOLDINGS LTD.
(UEN: 200619510K)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Wee Hur Holdings Ltd. (the “**Company**”) will be held at on Friday, 26 April 2024 at 12.00 noon (or as soon thereafter following the conclusion or adjournment of the Seventeen Annual General Meeting of the Company (“**AGM**”) to be held at 11.00 a.m. on the same day) at Aloft Singapore Novena, 16 Ah Hood Road, Singapore 329982 for the purpose of considering and, if thought fit, passing with or without modification, the following ordinary resolutions:

*Unless otherwise defined, all capitalised terms herein shall have the same meanings as defined in the circular to shareholders of the Company dated 11 April 2024 (the “**Circular**”).*

ORDINARY RESOLUTION 1 – THE PROPOSED BUSINESS DIVERSIFICATION INTO THE FUND MANAGEMENT BUSINESS AND THE ALTERNATIVE INVESTMENT BUSINESS

THAT:

- (a) approval be and is hereby given, for the Proposed Business Diversification and for the Company and its subsidiaries to engage in the Fund Management Business and the Alternative Investment business, and any other activities necessary or desirable in connection therewith; and
- (b) the Directors and any of them, be and are hereby authorised to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document and affix the Common Seal of the Company to any such documents if required) as they or he may consider expedient or necessary in the interests of the Company to give effect to the Proposed Business Diversification and any other transactions contemplated by this Ordinary Resolution.

ORDINARY RESOLUTION 2 – THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

THAT SUBJECT TO AND CONDITIONAL UPON THE PASSING OF ORDINARY RESOLUTION 3 AND ORDINARY RESOLUTION 4:

- (a) approval be and is hereby given, for the Proposed Disposal (as defined in the Circular) on the terms and conditions of the Sale and Purchase Agreement, the principal terms of which are set out in the Circular; and
- (b) the Independent Directors and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document and affix the Common Seal of the Company to any such documents if required) as they or he may consider expedient or necessary in the interests of the Company to give effect to the Proposed Disposal and any other transactions contemplated by this Ordinary Resolution.

ORDINARY RESOLUTION 3 – THE PROPOSED JOINT VENTURE

THAT SUBJECT TO AND CONDITIONAL UPON THE PASSING OF ORDINARY RESOLUTION 2 AND ORDINARY RESOLUTION 4:

- (a) approval be and is hereby given, for the Proposed Joint Venture (as defined in the Circular) on the terms and conditions of the Shareholders' Agreement, the principal terms of which are set out in the Circular; and
- (b) the Independent Directors and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document and affix the Common Seal of the Company to any such documents if required) as they or he may consider expedient or necessary in the interests of the Company to give effect to the Proposed Joint Venture and any other transactions contemplated by this Ordinary Resolution.

ORDINARY RESOLUTION 4 – THE PROPOSED PROVISION OF SERVICES

THAT SUBJECT TO AND CONDITIONAL UPON THE PASSING OF ORDINARY RESOLUTION 2 AND ORDINARY RESOLUTION 3:

- (a) approval be and is hereby given, for the Proposed Provision of Services (as defined in the Circular) on the terms and conditions of the Construction Services Agreement, the Project Management Services Agreement and the Corporate Support Services Agreement, the principal terms of which are set out in the Circular; and
- (b) the Independent Directors and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document and affix the Common Seal of the Company to any such documents if required) as they or he may consider expedient or necessary in the interests of the Company to give effect to the Proposed Provision of Services and any other transactions contemplated by this Ordinary Resolution.

By order of the Board of Directors

Tan Ching Chek
Teo Ah Hiong
Joint Company Secretaries
11 April 2024
Singapore

Personal data privacy:

By submitting the Proxy Form appointing the proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of the appointment of the proxy or the Chairman of the Meeting as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.