偉合控股有限公司

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

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 JUNE 2023

The Board of Directors (the "**Board**") of Wee Hur Holdings Ltd (the "**Company**") together with its subsidiaries (the "**Group**") wishes to announce the response to queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email of 7 September 2023 on the Company's unaudited financial statements for six months ended 30 June 2023 released to the SGX-ST on 11 August 2023 as follows:

Query 1:

The Company disclosed in the cash flow statement that there is "proceeds from borrowings" amounting to $45,081,000 and "repayment of borrowings" amounting to $9,947,000 i.e., net increase in borrowings of $35,134,000 for 1H 2023. Whereas it is disclosed in Note 15 Borrowings that the total borrowings as at 31 Dec 2022 of $103,848,000 dropped to $90,050,000 as at 30 June 2023. Please explain the difference and reconcile the figures.

Response:

The difference is due to the successful completion of the proposed disposal of the discontinued operations, Wee Hur PBSA Master Trust ("**WH PBSA Trust**") on 20 April 2023. Subsequent to the conclusion of this disposal, the assets and liabilities associated with WH PBSA Trust were deconsolidated from the Group's financial statements from 20 April 2023. Consequently, they were excluded in the Group's statements of financial position as at 30 June 2023.

Nevertheless, the cash flows generated or used by these operations during the period from 1 January 2023 to 20 April 2023, remained included in the Group's consolidated statement of cash flows for the six months ended 30 June 2023. This inclusion was deemed necessary to provide a comprehensive understanding of the Group's overall financial performance and liquidity during the period under review.

The following tables illustrate the methodology used to determine the net increase in borrowings amounting to $35,134,000 and the total borrowings of $90,050,000:

A) Extracted from the consolidated statement of cashflows

	Group		
	6 months ended 30 June 2023 $'000	6 months ended 30 June 2023 $'000	6 months ended 30 June 2023 $'000
	Continuing operations	Discontinued operations	Total
Cash flows from financing activities			
Proceeds from borrowings	–	45,081 [(a)]	45,081
Repayment of borrowings	(9,947)	–	(9,947)
Net cash provided by financing activities	**(9,947)**	**45,081**	**35,134**

B) Extracted from Note 15 Borrowings

	Group			
	31 December 2022 $'000	30 June 2023 $'000	Reclassification $'000	Principal Repayment $'000
Current				
Bank Borrowings	28,385	85,620	66,541 [(b)]	(9,307)
Lease liabilities	6,441	2,636	–	(3,804)
	34,826	**88,256**	**66,541**	**(13,111)**
Non-current				
Bank Borrowings	68,835	1,654	(66,541)	(640)
Lease liabilities	187	140	–	(47)
	69,022	**1,794**	**(66,541)**	**(687)**
Total borrowings	**103,848**	**90,050**	**–**	**13,798**

(a) The proceeds from borrowings of $45,081,000 which pertained to the discontinued operations were not included in the total borrowings as at 30 June 2023.

(b) The reclassification from non-current to current occurred because the loan reached its maturity date, the Group is currently engaged in discussion with the bank to explore options for refinancing.

Query 2:

Please provide the reason(s) for the significant trade and other payables of $108,331,000 when the Group recorded a cash and bank balance of $73,857,000 as at 30 June 2023. Please also disclose a breakdown of trade and other payables. For other payables, please disclose the identity of the counterparties, the aging and nature of these other payables.

Response:

The breakdown of trade and other payables of $108,331,000 as at 30 June 2023 were as follows:

	Group
	30 June 2023 $'000
Current	
Trade payables [(a)]:	
- Non-related parties	30,489
- Related parties	927
Accrued construction costs	20,709
Contract liabilities	11,798
Provision for onerous contracts	5,878
	69,801
Other payables:	
- Non-related parties [(b)]	1,004
- Associates [(c)]	13,271
- Related parties [(d)]	11,094
Accrued operating expenses [(e)]	2,686
Advance payments and deposits [(f)]	8,475
Provision [(g)]	2,000
	38,530
Total trade and other payables	**108,331**

(a) The trade payables of $69,801,000 arose from four main sources: the procurement of goods or services on credit from suppliers, the accumulation of construction-related expenses, contract obligations, and provisions for onerous contracts. These obligations constitute integral components of the Group's routine operational activities. The Group is dedicated to effectively managing these responsibilities as a core element of its strategy to uphold financial stability and secure its long-term sustainability.

(b) Other payables to non-related parties mainly related to tax payable of $0.5m to Australian Tax Office on behalf of Wee Hur (Ann Street) Pty Ltd and professional fees and commission payables of $0.5m to external parties.

(c) Other payables to associates mainly related to bank borrowings interest payable of $2.9m and PBSA rental deposits of $4.9m held on behalf of the discontinued operations and advances of $5.4m received from Fernvale Green Pte Ltd.

(d) Other payables to related parties mainly related to retention monies held relating to the disposal of discontinued operations.

(e) Accrued operating expenses mainly related to accrual of employee’s bonuses and entitlements, and accrual of professional and statutory expenses.

(f) Advance payments and deposits mainly related to rental deposits received from tenants from Tuas View Dormitory and rental deposits paid by buyers under Rent-To-Own scheme from Mega@Woodlands.

(g) Provision related to a provision made for the reinstatement of land for Tuas View Dormitory upon expiry of the lease contract.

The Groups did not track the aging of other payables as these were mainly accrued operating expenses, advance payments and deposits and provision.

By Order of the Board

Goh Yeow Lian
Executive Chairman and Managing Director

11 September 2023