

EXTRAORDINARY GENERAL MEETING

11 FEBRUARY 2022

PRESENTATION SLIDES



**Staying Focus,
Emerging Stronger**



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THE PURPOSE OF THIS EGM PRESENTATION SLIDES

To provide an overview of the circular for the independent shareholders to have a better understanding of the EGM before casting their votes as normal 'Face to face' EGM cannot be conducted due to the current COVID-19 restriction orders.

The independent shareholders are advised to run through the contents of the circular before voting.



THE AGENDA OF THE EGM

To seek independent shareholders' approval for the proposed adoption of a general mandate for Interested Persons Transaction.

Interested Persons Transaction ("IPT") is a transaction between the Group and an interested person. The term "**Interested Person**" refers to a director, chief executive officer or controlling shareholder of the Company; or an Associate of such director, chief executive officer or controlling shareholder.

This general mandate is subject to annual renewal during the Company's Annual General Meeting.



THE INTERESTED PERSON TRANSACTIONS

The Group has adopted the following business model for the property development and investment property since 2010 and will continue to adopt:

A) Establishment of WH JV SPV

- a) Establish a Joint Venture special purpose vehicle (“**WH JV SPV**”) to undertake each project.
- b) The JV partners in **WH JV SPV** include Goh Directors and their Associates and where applicable, unrelated third parties.
- c) The Group has more than 30% stake in **WH JV SPV** and Goh Directors and their Associates have less than 30% stake in the **WH JV SPV**.
- d) All partners in the **WH JV SPV** sharing the same risks and rewards in proportion to their equity interests.
- e) Each **WH JV SPV** constitutes a subsidiary of the Company (in the case where the Company holds more than 50% equity interest) or an associate of the Company (in the case where the Company holds between 30% to 50% equity interest).
- f) Each JV is considered an IPT due to Goh Directors and their Associates’ equity interests in **WH JV SPV** under the Chapter 9 of the Listing Rule. However, shareholders’ approval is not required as all JV partners in the **WH JV SPV** sharing the same risks and rewards in proportion to their equity interests pursuant to Rule 916.



THE INTERESTED PERSON TRANSACTIONS

The Company views the presence of the Goh Directors and their Associates' involvement in **WH JV SPV** to be advantageous to the Group as:

- It facilitates the fundraising process.
- Accelerates the realisation of the Group's business plans.

B) Transactions between the Group's wholly owned subsidiaries and WH JV SPV

- a) Construction Services: by WH Construction as the main contractor.
- b) Project Management Services: by WH Development as the project manager.
- c) Corporate Support Services: by the Company provides centralised services.
- d) Investment Management Services: by WH Capital as the fund manager.
- e) Operating Management Services for PBSA: by WH Hospitality.

The above transactions are treated as IPT under Chapter 9 due to Goh Directors and their Associates' equity interests in the WH JV SPV.

For the purpose of the Circular, the IPT is defined as MANDATED TRANSACTIONS, WH JV SPV is defined as MANDATED INTERESTED PERSONS.



MANDATED INTERESTED PERSONS (WH JV SPV)

a) Active System Engineering Pte Ltd

Undertakes the development and operation of **Tuas View Dormitory**, a purpose-built dormitory at Tuas area.

b) Wee Hur (Bartley) Pte Ltd

Undertakes the development and selling of **Bartley Vue**, 115-unit condominium at Bartley area.

c) Wee Hur (Woodlands 12) Pte Ltd

Undertakes the development and selling at **Mega@Woodlands**, 517-unit industrial project at Woodlands area.

d) Wee Hur PBSA Master Trust

Undertakes the development and operation of a portfolio of 5609-bed **PBSA** across five major cities of Australia.

e) Wee Hur PBSA Fund II

Undertakes the development and operation of a **PBSA** in Sydney.

f) any WH JV SPV to be established in the future, in line with the business model, and in which the Goh Directors and their Associates together would hold 30% or more equity interests.



MANDATED TRANSACTION 1: CONSTRUCTION SERVICES

Undertaken by WH Construction as the main contractor for the property development and investment projects. The scope of work as the main contractor comprises design, construction and completion of these projects.

Rationale

- a) Mandated Interested Person is the subsidiary of the Company.
- b) WH Construction is the construction arm of the Company with 41 years of track records.
- c) Generate revenue and earning streams for the Company.



MANDATED TRANSACTION 1: CONSTRUCTION SERVICES

Procedures

- a) WH Construction will determine the material terms of the Construction Services (including the construction costs).
- b) An independent third-party professional quantity surveyor will be appointed by WH Development (Project Manager) to verify that the construction costs is at least comparable to or higher than the market rates for substantially similar projects.
- c) Based on the information in a) and b), a senior executive of WH Development who does not have any interest in the transaction, will seek approval from the Audit Committee.
- d) Any subsequent variations costs will be reviewed and approved by the senior executive and reviewed by the Audit Committee on a half-yearly basis.



MANDATED TRANSACTION 2: PROJECT MANAGEMENT SERVICES

Undertaken by WH Development as the project manager for the property development and investment projects. The scope of the project manager includes the management of design development, construction, sales and marketing of these projects.

Rationale

- a) Mandated Interested Person is the subsidiary of the Company
- b) To have effective control over the project execution.
- c) Generate revenue and earning streams for the Company.



MANDATED TRANSACTION 2: PROJECT MANAGEMENT SERVICES

Procedures

- a) WH Development will determine the material terms of the services, taking into account the construction costs, complexity of the project, duration of the development and prevailing market practice.
- b) The fees are approximately 1% to 3% of the construction costs which is in accordance with prevailing market practice based on comparable projects with other unrelated third parties.
- c) Based on the information in a) and b), a senior executive of WH Development who does not have any interest in the transaction, will seek approval from the Audit Committee.



MANDATED TRANSACTION 3: CORPORATE SUPPORT SERVICES

Undertake by the Company, usual inter-company services for day-to-day operations, including administrative, company secretariat, finance services, etc.

Rationale

- a) Mandated Interested Person is the subsidiary of the Company.

Procedures

- a) In accordance with a transfer pricing policy prepared by the Group's external tax consultant and approved by the Audit Committee.
- b) The manpower allocation and time costs are reviewed by the CFO on a monthly basis and reviewed by the internal auditors on an annual basis.



MANDATED TRANSACTION 4: INVESTMENT MANAGEMENT SERVICES

Undertaken by WH Capital as the fund manager of the real estate trust established by the Group. The scope of the fund manager includes identifying investment and divestment opportunities and structuring, monitoring and managing the investments.

Rationale

- a) The real estate trust is established by the Group.
- b) Mandated Interested Person is either a subsidiary or an associate of the Company
- c) To have effective control over the investments.
- d) Generate revenue and earning streams for the Company.



MANDATED TRANSACTIONS 4: INVESTMENT MANAGEMENT SERVICES

Procedures

- a) WH Capital shall prepare a proposal containing the material terms of the services including the rates and types of fees.
- b) Obtain information from comparable funds to ensure that the fees charged will be on normal commercial terms and on arm's length basis.
- c) Based on the information in a) and b), a senior executive of WH Capital who does not have any interest in the transaction, will seek approval from the Audit Committee.
- d) Upon approval by the Audit Committee, the material terms of the services will be disclosed in the fund offer documentation which are provided to the potential investors.



MANDATED TRANSACTION 5: OPERATING MANAGEMENT SERVICES FOR PBSA

Undertaken by WH Hospitality under **Y Suites** brand. The scope of the services include sales, marketing and property management of the Group's PBSA properties.

Rationale

- a) The **Y Suites** brand was developed solely for the Group's PBSA portfolio.
- b) Operating under the **Y Suites** brand, enables the Group to operate the PBSA efficiently.
- c) Operating under the **Y Suites** brand will provide clear identity of the Group's PBSA properties.
- d) Generate revenue and earning streams for the Company.



MANDATED TRANSACTION 5: OPERATING MANAGEMENT SERVICES FOR PBSA

Procedures

- a) WH Hospitality shall prepare a proposal containing the material terms of the services including the rates and types of fees.
- b) Consultations with WH Capital (in its capacity as trust manager).
- c) Compare the fees charged by the incumbent property manager for the existing operational PBSA.
- d) Benchmarking survey for royalty fees and sales and marketing fees conducted by independent third-party professionals engaged by WH Capital to ensure that the fees charged by WH Hospitality will be on normal commercial terms and on arm's length basis.
- e) Based on the information in a) to d), a senior executive of WH Hospitality who does not have any interest in the transaction, will seek approval from the Audit Committee.



PERIODIC REVIEW PROCEDURES FOR ALL MANDATED TRANSACTIONS

- a) Maintain a list of all Interested Persons and their Associates, shall be reviewed on a half yearly basis by the CFO and the Audit Committee and disseminated to the Group's finance team.
- b) Seek written confirmation from each of the Directors, CEO and Controlling Shareholders on a half yearly basis on their respective list of interested persons.
- c) Maintain a register of IPT carried out with all existing and future interested persons, including the Mandated Transactions.
- d. Review of the IPT Register on a monthly basis by the CFO and on half yearly basis by the Audit Committee.
- e. The Company's annual internal audit plan shall incorporate a review of the Mandated Transactions entered into during the current financial year.
- f. The Company's internal auditor will, on an annual basis, review the Mandated Transactions in the IPT Register entered into during the current financial year.



RATIONAL FOR THE IPT MANDATE AND BENEFITS TO THE GROUP

- a) Enable the Group, in the ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons, without being separately subject to Rules 905 and 906 of the Listing Manual.
- b) Enhance the Group's ability to pursue business opportunities which are time-sensitive in nature.
- c) Reduce the expenses associated with the convening of general meetings on an ad hoc basis, and improve administrative efficiency considerably
- d) Allow manpower resources and time to be channelled towards attaining other corporate objectives.



OPINION OF THE IFA

The opinion of the IFA as set out in Section 10 of the IFA Letter is reproduced below:

“Having regard to the considerations set out in this letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Review Procedures for determining the transaction prices of the Mandated Transactions as set out in Section 2.6 of this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders.”



STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee comprises Teo Choon Kow @ William Teo, Wong Kwan Seng Robert and Goh Yew Gee.

Goh Yew Gee had abstained from making any recommendation as he is one of the Interested Persons.

Having reviewed and considered, inter alia, the terms and rationale for and benefits of the IPT Mandate to the Group and the opinion of the IFA, the Audit Committee (save for Goh Yew Gee) confirms that it concurs with the view of the IFA and is satisfied that the methods and procedures set out in Section 2.6 of this Circular for determining the Mandated Transactions under the IPT Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.



IMPORTANT INFORMATION / DATES / DEADLINES

Date, Time and Conduct of the EGM

The EGM will be convened and held by way of electronic means, on **11 February 2022 at 11.30 a.m.**

How to participate in the EGM?

Shareholders may participate at the EGM by:

- a) Observing and/or listening to EGM proceedings via live audio-visual webcast or live-audio only stream;
- b) Submitting questions in advance of the EGM; and
- c) Appointing the Chairman of the Meeting of the Company as proxy to vote on their behalf at the EGM.



IMPORTANT INFORMATION / DATES / DEADLINES

Circular, Notice of EGM and proxy form

Please click the link below:

- a) The Company's corporate website at <https://www.weehur.com.sg/investor-relations/announcements-and-press-release/>
- b) The SGX website at <https://www.sgx.com/securities/company-announcements>.



IMPORTANT INFORMATION / DATES / DEADLINES

From **9.00 a.m. on 20 January 2022**, shareholders may begin pre-register at <http://weehurEGM2022.availeasemgdwebinar.com> for the live webcast or live audio-only stream of the EGM proceedings.

By **5.00 p.m. on 28 January 2022**, CPF/SRS investors who wish to appoint the Chairman for the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.

By **11.30 a.m. on 8 February 2022**, deadline for shareholders to:

- pre-register for the live webcast or live audio-only stream of the EGM proceedings; and
- submit proxy forms



IMPORTANT INFORMATION / DATES / DEADLINES

By **11.30 a.m. on 28 January 2022**, deadline for shareholders to submit questions in advance.

Shareholders will not be able to ask questions at the EGM live during the live webcast or live audio-only stream, and therefore it is important for shareholders to pre-register and submit their questions in advance of the EGM.

Shareholders can submit questions:

- a) via the pre-registration website
- b) via email to srs.teamd@boardroomlimited.com
- c) via post to the Company's registered address, 39 Kim Keat Road, Wee Hur Building, Singapore 328814.

By **11.30 a.m. on 5 February 2022**, deadline for the Company to address all substantial and relevant questions by publishing the responses to questions on the Company's website and on SGXNet.



THANK YOU

