



## ASPIAL CORPORATION LIMITED

(Company Registration No.: 197001030G)

(Incorporated in the Republic Singapore)

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### INTERESTED PERSON TRANSACTIONS

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1. The Board of Directors (the **"Board"**) of the Aspiat Corporation Limited (the **"Company"**) wishes to announce that following various consultations with Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) regarding the interpretation of certain rules under the SGX-ST listing manual (the **"Listing Manual"**, and rules thereunder, the **"Rules"**), the Company has determined that it is in technical breaches of Rules 905, 906 and 907 (the **"Relevant Rules"**). The technical breaches are unintentional and they resulted from a combination of inadvertent oversight by the Company as well as differences in the interpretation of certain rules under Chapter 9 of the Listing Manual. The Company voluntarily informed the SGX-ST promptly of the breaches and is currently undertaking a comprehensive review of the interested person transactions (as defined in Rule 904(5)) entered into by the Company and its subsidiaries (the **"Aspiat Group"**) to determine the details of the past and present interested person transactions which are not in full compliance with the Relevant Rules (the **"Relevant IPTs"**).
2. Based on the initial assessment by the Company, the Relevant IPTs will comprise transactions involving the following entities and their respective subsidiaries (the **"Affected Entities"**):
  - (i) World Class Global Pte. Ltd. (**"WCG"**, and together with its subsidiaries, the **"WCG Group"**) a subsidiary of the Company, which is owned by the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in the proportion 90%, 5% and 5% respectively. Mr. Koh Wee Seng is the Executive Director and Chief Executive Officer of the Company and also its controlling shareholder. Mr. Ng Sheng Tiong is an associate of Ms. Koh Lee Hwee, an executive director and controlling shareholder of the Company;
  - (ii) World Class Land Pte. Ltd. (**WCL**, and together with its subsidiaries, the **WCL Group**), a subsidiary of the Company, is owned by the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in the proportion 90%, 5% and 5% respectively; and
  - (iii) Maxi-Cash Financial Services Corporation Ltd. (**Maxi-Cash**, and together with its subsidiaries, the **Maxi-Cash Group**), a subsidiary of the Company, is listed on Catalist board of the SGX-ST. The Company holds 68.2% of the issued share capital of Maxi-Cash. Following a distribution *in specie* by the Company in June 2015, subsequent purchases on the market as well as participation in Maxi-Cash's rights issue launched in September 2016, Mr. Koh Wee Seng owns direct shareholding interests in more than 8% of the issued share capital of Maxi-Cash. Further, certain of Mr. Koh Wee Seng's associates and their family members also own shares in Maxi-Cash directly, which when aggregated with Mr. Koh Wee Seng's own direct shareholdings, exceed 5% of the issued share capital of Maxi-Cash.
3. Rule 915(3) provides that where a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the issuer, is less than 5% (the **"Relevant Threshold"**), that transaction is not required to comply with Listing Rule 906. The Affected Entities are subsidiaries of the Company and are part of the Aspiat Group. While transactions between the Company and its wholly owned subsidiaries do not constitute

interested person transactions, certain interested persons (as defined in Rule 904(4)) of the Company (the “**Relevant Interested Persons**”) have direct shareholding interests in WCG, WCL and Maxi-Cash which exceed 5% in aggregate, and accordingly this results in transactions between the Company and the Affected Entities becoming interested person transactions which are not exempted the requirements under the Relevant Rules.

4. The Company sought clarification from the SGX-ST in respect of WCG on whether the Relevant Threshold can be determined based on the individual direct shareholding interests of each interested person, and was informed that the shareholding interests will need to be aggregated in certain circumstances. In this regard, it was determined that the direct shareholding interests of Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in WCG must be aggregated. If the direct shareholding interests Mr. Koh Wee Seng and Mr. Ng Sheng Tiong can be considered individually, the Company would only be in a small technical breach of the Relevant Rules as each of them would have exceeded the Relevant Threshold by one share.
5. As a result of the clarifications on the Relevant Rules described above, the Company determined that it is unable to rely on Rule 915(3) for transactions between the members of the Aspiat Group and the IPT Subsidiaries to be exempted from the requirements under the Relevant Rules, and accordingly, the Company is in technical breaches of the Relevant Rules. As the Affected Entities are part of the Aspiat Group, there have been significant number of intra-group transactions in the ordinary course during the past years, and given the aggregate quantum involved, the thresholds under Rules 905 and 906 would have been exceeded. As the Company had previously considered the Affected Entities as subsidiaries and not as interested persons, these transactions had not been aggregated and disclosed in the Company’s annual reports for the previous financial years. Having determined that potential non-compliance may have taken place, the Company had taken immediate steps to determine the extent of the non-compliance of the Relevant Rules and to consult the SGX-ST on the appropriate remedial actions to be undertaken. These remedial actions are set out below.

#### WCG and its subsidiaries

6. The shareholding proportion of the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong of 90%, 5% and 5% respectively in WCG can be traced back to more than 10 years ago, when Mr. Koh Wee Seng and Mr. Ng Sheng Tiong first invested directly in WCL. WCG was previously a wholly-owned subsidiary of WCL and the shares in WCG held by WCL were subsequently sold to the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong pursuant to a restructuring exercise which was completed in September 2015 and as announced by the Company on as announced by the Company on 1 October 2016 (the “**Restructuring Exercise**”). The shareholding proportion of the Company, Mr Koh Wee Seng and Mr Ng Sheng Tiong in WCG, are 90%, 5% and 5% respectively, reflecting the same shareholding proportion that they had in WCL prior to the Restructuring Exercise. As Mr. Koh Wee Seng and Mr. Ng Sheng Tiong own more than 5% of WCG directly other than through the Company, transactions (the “**WCG IPTs**”) between the Aspiat Group and the WCG Group are required to comply with the Relevant Rules.
7. Please refer to the Appendix to this announcement for details of past and present WCG IPTs for the period from the date of incorporation of WCG (being 29 October 2013) to 31 December 2014 (“**FY2014**”), the financial year ended 31 December 2015 (“**FY2015**”) and the financial year ended 31 December 2016 (“**FY2016**”, and collectively with FY2014 and 2015, the “**Period Under Review**”). Information as at 2 May 2017 (the “**Latest Practicable Date**”) is also set out for information purposes.
8. In respect of WCG IPTs which have since concluded (see “Past Interested Person Transactions” in the Appendix), the Board is of the view that the no further action would be necessary due to the following reasons:

- (i) such past WCG IPTs were concluded and cannot be reversed, and there cannot be said to be any current or on-going risk arising from such past transactions; and
  - (ii) there was no prejudice to the Company's shareholders under the past WCG IPTs as the transactions comprise transactions which were given to support the business and operations of the WCG Group, which were in the interest of the Company since it holds an effective 90% shareholding interests in WCG:
    - (a) shareholder loans or guarantees given by members of the Aspial Group to the WCG Group which have since been repaid in accordance with their terms or refinanced as part of the on-going WCG IPTs, and the corporate guarantees provided by the Company under these past WCG IPTs have never been enforced; and
    - (b) provision of support services and lease required to for the business operations of the WCG Group.
9. For WCG IPTs which are present and on-going (see section "Present and On-going Interested Person Transactions" in the Appendix), the Company is of the view that it is not possible to terminate the transactions, as such on-going transactions involve loans, guarantees and provision of support services which are required for the business operations of the WCG Group. Terminating the transactions would result in the WCG Group being unable to complete the development of its development projects, and will not be in the interests of the Company which currently owns 90% of the shareholding interests in WCG.
10. To remedy the technical non-compliance, Mr. Koh Wee Seng's and Mr. Ng Sheng Tiong's shareholding interests in WCG will be reduced to below 5% in aggregate, so that transactions with the WCG Group (except for WCL (QLD) Margaret St Pty. Ltd.) will no longer be required to comply with the Relevant Rules pursuant to Rule 915(3). It is currently intended that their direct shareholding interests in WCG will be reduced by selling down their shares in WCG as part of the proposed spin-off announced by the Company on 15 January 2015 (the "**Proposed Spin-off**"). If the Proposed Spin-off materializes, the aggregate direct shareholdings of Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in WCG will fall below 5%. Thereafter, transactions between the Aspial Group and the WCG Group (except for WCL (QLD) Margaret St Pty. Ltd.) will no longer be relevant for the purposes of the Relevant Rules. The Company has consulted with the SGX-ST and will be adopting the approach above.
11. The proposed solution mentioned in paragraph 10 above does not resolve WCG IPTs involving WCL (QLD) Margaret St Pty. Ltd. ("**WMSPL**"), one of the subsidiaries of WCG, as certain interested persons have direct shareholding interests in WMSPL. WMSPL is currently 65% effectively owned by the WCG, while the remainder 35% is owned by Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Property Investments Pte. Ltd. ("**DN Investments**") in the proportion 20%, 5% and 10% respectively. The relationships between Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Investments are set out in the Appendix.
12. As disclosed in the Appendix under "Present and On-going Interested Person Transactions – Provision of corporate guarantees by the Company", the Company had provided corporate guarantees in relation to the outstanding amount of loans granted to the WCG Group by several financial institutions. Currently, only one WCG IPT relates to WMSPL, which is a corporate guarantee provided by the Company to fully and solely guarantee an Australian Dollar Cash Advance Facility given to WMSPL by Oversea-Chinese Banking Corporation Limited prior to 31 March 2017. With effect from 31 March 2017, the sole corporate guarantee from the Company was replaced by guarantees from the Company, Mr. Koh Wee Seng, Ms Ko Lee Meng and Mr. Ng Sheng Tiong in the

proportion 65%, 20%, 5% and 10% respectively (the “**Amended Guarantees**”). As Mr. Ng Sheng Tiong effectively owns 55% of DN Investments while his wife, Ms. Koh Lee Hwee, owns the remaining 45%, the Company is of the view that Mr. Ng Sheng Tiong’s guarantee as to 10% of guarantee amount is the same as a guarantee given by DN Investments. Further, notwithstanding that the Company currently owns 90% of WCG, which in turns 65% of WMSPL indirectly, the Company is of the view that its guarantee will be considered a proportionate guarantee by WCG in compliance with the requirement under Rule 916(3)(a). The Company has consulted the SGX-ST and adopted the approach above.

13. Accordingly, the Company is of the view that the Amended Guarantees will not be required to comply with Rules 906 as it complies with the requirements under Rule 916(3) for the following reasons:
- (i) the Amended Guarantees represent the commitment by the joint venture owners of WMSPL in proportion to their equity and on the same terms;
  - (ii) Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Investments do not have any existing equity interest in WMSPL prior to the participation of the Company in the joint venture through a subsidiary; and
  - (iii) the Audit Committee of the Company is of the view that (i) the provision of the Amended Guarantees is not prejudicial to the interests of the Company and its minority shareholders; and (ii) the risks and rewards of WMSPL are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

#### Other Affected Entities

14. In relation to the Relevant IPTs involving the other Affected Entities, the Company is still in the process of conducting an internal review and the Company has the information, the Company will engage the SGX-ST on potential remedial measures and will make separate announcements in due course.

By Order of the Board  
**ASPIAL CORPORATION LIMITED**

Lim Swee Ann  
Company Secretary  
16 May 2017

## APPENDIX

### DETAILS OF INTERESTED PERSON TRANSACTIONS WITH RESPECT TO WORLD CLASS LAND AND ITS SUBSIDIARIES

A list of Relevant Interested Persons in respect of the past WCG IPTs and the present and on-going WCG IPTs have been set out below.

Interested Person	Relationship with the Aspial Group
Mr. Koh Wee Seng	Executive Director and Chief Executive Officer of the Company
Ms. Koh Lee Hwee	Executive Director of the Company
Ms. Ko Lee Meng	Non-Executive and Non-Independent Director of the Company
Mr. Koh Kian Soo	Spouse of Ms. Ko Lee Meng
Mdm Tan Su Lan	Mother of Mr. Koh Wee Seng, Ms. Koh Lee Hwee and Ms. Ko Lee Meng
Mr. Ng Sheng Tiong	Chief Executive Officer of WCG and the also the spouse of Ms. Koh Lee Hwee
World Class Global Limited (“WCG”)	A subsidiary of the Company, which is owned by the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in the proportion 90%, 5% and 5% respectively
World Class Land Pte. Ltd. (“WCL”)	A subsidiary of the Company, which is owned by the Company, Mr. Koh Wee Seng and Mr. Ng Sheng Tiong in the proportion 90%, 5% and 5% respectively
Dynamic Project Management Services Pte. Ltd. (“Dynamic Project Management Services”)	A wholly owned subsidiary of WCL
DN Property Investments Pte. Ltd. (“DN Investments”)	A wholly owned subsidiary of DN Holdings Pte. Ltd., which is in turn 55.0% owned by Mr. Ng Sheng Tiong and 45.0% owned by Ms. Koh Lee Hwee
8G Investment Pty Ltd (“8G Investment”)	Mr. Koh Wee Seng, holds 100.0% of the shares in 8G Investment
Aspial Treasury Pte. Ltd. (“ATP”)	A wholly owned subsidiary of the Company
WCL (QLD) Margaret St Pty. Ltd. (“WMSPL”)	A subsidiary which is effectively 65% owned by the Company, and the remainder 35% is owned by Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Investments in the proportion 20%, 5% and 10% respectively

For the purpose of this Appendix:

“A\$” refers to Australian Dollars, the lawful currency of Australia, and “RM” refers to Malaysian Ringgit, the lawful currency of Malaysia, and “S\$” refers to Singapore dollars, the lawful currency of Singapore.

## PAST INTERESTED PERSON TRANSACTIONS

### *Advances by WCL*

From time to time, WCL (as an entity at risk) extended loans to WCG and its subsidiaries (the “**WCG Group**”) (being the interested persons). Information on the loans provided by WCL during the Period Under Review is set out in the table below. On 30 September 2015, in connection with the restructuring exercise undertaken by the Company (as announced by the Company on 1 October 2016), all the outstanding loans provided by WCL were transferred to the Company, and the WCG Group ceased to owe any indebtedness to WCL.

<b>Borrowing Subsidiary</b>	<b>Outstanding advances as at 31 December 2014</b>	<b>Outstanding advances as at 31 December 2015</b>	<b>Outstanding advances as at 31 December 2016</b>	<b>Outstanding advances as at the Latest Practicable Date</b>	<b>Largest outstanding amount during the Relevant Period</b>	<b>Interest rate</b>
World Class Land (Australia) Pty Ltd	A\$95.2 million <sup>(1)</sup>	-	-	-	A\$156.9 million	8.25% per annum <sup>(3)</sup>
World Class Land (Malaysia) Sdn. Bhd. and its subsidiaries	RM43.7 million <sup>(2)</sup>	-	-	-	RM43.7 million	Interest free <sup>(3)</sup>
The Company	S\$79.2 million	-	-	-	S\$270.4 million	Interest free in FY2014 <sup>(3)</sup>

#### **Notes:**

- (1) An amount of A\$5.6 million was on interest-free basis. Outstanding advances of A\$95.2 million were subsequently assumed by WCG on 1 January 2015.
- (2) Outstanding advances of RM43.7 million were subsequently assumed by WCG on 1 January 2015.
- (3) All outstanding advances were charged an interest of 5.25% per annum, and were payable to the Company with effect from 1 October 2015, after all the above-mentioned loans were transferred from WCL to the Company on 30 September 2015.

As no comparable quotes were obtained for the loans at the relevant time, the Audit Committee of the Company considered that the above transactions were not entered into on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and its minority shareholders as the provision of such loans are essential for the funding of the acquisition of development sites and for working capital requirements of the WCG Group, and WCG was not in a position to obtain bank borrowings easily during the initial construction stages of its development projects. As the Company effectively owns 90% of WCG, it was in the best interest of the Company to ensure that the business of the WCG Group was supported. Further, the advances were repaid in accordance with their terms.

### **Advances by the Company**

On 30 September 2015, in connection with the restructuring exercise undertaken by the Company, all the loans provided by WCL to members of the WCG Group (being the interested persons) were transferred to the Company (being the entity at risk). One of such loans was a revolving working capital facility provided by WCL to WCG. Details of the facility are set out below. WCL and WCG agreed to terminate the facility on 31 December 2015.

<b>Borrowing Subsidiary</b>	<b>Outstanding advances as at 31 December 2014</b>	<b>Outstanding advances as at 31 December 2015</b>	<b>Outstanding advances as at 31 December 2016</b>	<b>Outstanding advances as at the Latest Practicable Date</b>	<b>Largest amount outstanding during the Relevant Period</b>	<b>Interest rate</b>
World Class Land (Australia) Pty Ltd and its subsidiaries	-	A\$0.6 million	-( <sup>2</sup> )	-	A\$0.6 million	Interest free
World Class Land (Malaysia) Sdn. Bhd. and its subsidiaries	-	RM1.2 million	-( <sup>2</sup> )	-	RM1.2 million	Interest free
WCG	-	S\$161.3 million <sup>(1)</sup>	-( <sup>2</sup> )	-	S\$229.1 million	5.25% per annum

#### **Notes:**

- (1) An amount of S\$3.2 million was on an interest-free basis.
- (2) On 1 March 2016, WCG entered into a revolving loan agreement with the Company and ATP, as supplemented (the "**Revolving Loan Agreement**"), pursuant to which the Company and ATP agreed to extend loans of up to an aggregate principal sum of S\$400 million to finance the WCG Group's working capital. All outstanding amounts due to the Company prior to 1 March 2016 were deemed to constitute outstanding loans under the Revolving Loan Agreement (please see details set out below "Present and On-going Interested Person Transactions – Provision of loans by the Company and ATP under the Revolving Loan Agreement").

As no comparable quotes were obtained for the loans at the relevant time, the Audit Committee of the Company considered that the above transaction was not entered into on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and its minority shareholders as the provision of such loans are essential for the funding of the acquisition of development sites and for working capital requirements of the WCG Group, and WCG was not in a position to obtain bank borrowings easily during the initial construction stages of its development projects. As the Company effectively owns 90% of WCG, it was in the best interest of the Company to ensure that the business of the WCG Group was supported. Further, the advances were repaid in accordance with their terms.

**Advances by ATP, a subsidiary of the Company**

<b>Borrowing Subsidiary</b>	<b>Outstanding advances as at 31 December 2014</b>	<b>Outstanding advances as at 31 December 2015</b>	<b>Outstanding advances as at 31 December 2016</b>	<b>Outstanding advances as at the Latest Practicable Date</b>	<b>Largest outstanding amount during the Relevant Period</b>	<b>Interest rate</b>
WCG	-	S\$28.2 million <sup>(1)</sup>	-( <sup>2)</sup>	-	S\$42.0 million	5.69% per annum

**Notes:**

- (1) An amount of S\$0.2 million was on an interest-free basis.
- (2) On 1 March 2016, WCG entered into the Revolving Loan Agreement with the Company and ATP, pursuant to which the Company and ATP agreed to extend loans of up to an aggregate principal sum of S\$400 million to finance the WCG Group's working capital. All outstanding amounts due to ATP prior to 1 March 2016 were deemed to constitute outstanding loans under the Revolving Loan Agreement (please see details set out under "Present and On-going Interested Person Transactions – Provision of loans by the Company and ATP under the Revolving Loan Agreement").

As no comparable quotes were obtained for the loans at the relevant time, the Audit Committee of the Company considered that the above transaction was not entered into on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and its minority shareholders as the provision of such loans are essential for the funding of the acquisition of development sites and for working capital requirements of the WCG Group, and WCG was not in a position to obtain bank borrowings easily during the initial construction stages of its development projects. As the Company effectively owns 90% of WCG, it was in the best interest of the Company to ensure that the business of the WCG Group was supported. Further, the advances were repaid in accordance with their terms.

**Sale of properties to Controlling Shareholders, Directors and/or their Associates**

During the Period Under Review, the WCG Group (as entities at risk) sold various units of properties from the property development projects to certain interested persons, being the Directors and controlling shareholders (as defined in the listing rules) of the Company and/or their associates (as defined in the Listing Manual). The details of such sales are as follows:

<b>Purchase date</b>	<b>Description of property</b>	<b>Purchase price (A\$)</b>	<b>Purchaser(s)</b>
December 2014	<i>Australia 108</i>	945,725	8G Investment
December 2014	<i>Australia 108</i>	853,575	8G Investment
June 2015	<i>Australia 108</i>	3,794,155	8G Investment
December 2014	<i>Australia 108</i>	561,145	Ko Lee Meng and Koh Kian Soo
December 2014	<i>Australia 108</i>	957,175	Ko Lee Meng and Koh Kian Soo
December 2014	<i>Australia 108</i>	502,460	Ko Lee Meng and Koh Kian Soo
December 2014	<i>Australia 108</i>	1,799,350	Koh Lee Hwee and Ng



Purchase date	Description of property	Purchase price (A\$)	Purchaser(s)
December 2014	<i>Australia 108</i>	1,750,850	Sheng Tiong Koh Lee Hwee and Ng Sheng Tiong
June 2015	<i>AVANT</i>	847,000	Ko Lee Meng and Koh Kian Soo

The consideration for the above property purchases were based on then prevailing market selling prices, less commission payable to third party sales agents as these properties were purchased directly from WCG. The Audit Committee of the Company considered these transactions were conducted on an arm's length basis and on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

#### ***Management fees charged by WCL and Dynamic Project Management Services***

Pursuant to a management service agreement entered into in 2014 between WCL (being the entity at risk) and World Class Land (Australia) Pty Ltd, a subsidiary of WCG (being the interested person), WCL provided management and support services, as well as strategic services, to World Class Land (Australia) Pty Ltd. The management service fees under the management service agreement were based on a cost-plus basis. This management service agreement was terminated on 1 January 2015.

In 2015, WCL and Dynamic Project Management Services were engaged to provide financial, management and support services to the WCG Group, including, amongst others, the secondment of project directors. The management service fees charged by WCL and Dynamic Project Management Services for the provision of such services were based on a cost-plus basis. Following the transfer of these employees to the WCG Group's employment, the engagement of WCL and Dynamic Project Management Services was terminated on 1 March 2016.

As there were no comparable quotes for similar services obtained for the provision of the aforementioned services, the Audit Committee of the Company considered that the management service fees described above were not carried out on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and the interests of its minority shareholders as prior to 1 March 2016, WCL and Dynamic Project Management Services provided WCG with human resources and support services which are essential to the WCG Group's day-to-day business operations. As the Company effectively owns 90% of WCG, it was in the best interest of the Company to ensure that the operations of the WCG Group were supported.

The aggregate management fees paid for the relevant periods are as follows:

(S\$'000)	FY2014	FY2015	FY2016	1 January 2017 up to the Latest Practicable Date
WCL	1,868	750	125	-
Dynamic Project Management Services	-	1,380	230	-

### ***Lease of premises from WCL***

On 1 January 2016, a tenancy agreement was entered into between WCL (being the entity at risk) and WCG (being the interested person) to lease WCG's office space at 55 Ubi Avenue 1, #05-16 Ubi 55, Singapore 408935. Under the tenancy agreement, the lease is for a period of 12 months commencing from 1 January 2016 at a monthly rental and service charge of S\$4,461 (excluding goods and services tax). The Audit Committee of the Company considered that the transaction was carried out on an arm's length basis and on normal commercial terms, and was not prejudicial to the interests of the Company and its minority shareholders as the monthly rental and service charge was determined based on the same rates that were charged under the tenancy agreement between WCL and the landlord (being an independent third party) of the aforesaid office space. On 31 December 2016, the tenancy agreement with WCG expired and was not renewed. WCG subsequently entered into a tenancy agreement directly with the landlord (being the same independent third party), for the lease of the aforementioned office space for a period of 18 months commencing 1 January 2017.

### ***Provision of loans by Directors and their Associates***

In June 2014, Mr. Koh Wee Seng, together with his sister, Ms. Ko Lee Meng and his mother, Mdm Tan Su Lan, WCL (QLD) Holdings Pty. Ltd. (a wholly-owned subsidiary of WCG) and DN Investments, incorporated WMSPL<sup>1</sup>, a subsidiary of WCG, to acquire the property at 240 Margaret Street, Brisbane, Australia.

Pursuant to the shareholders' agreement in relation to WMSPL (the "**QLD SHA**"), the initial shareholders of WMSPL each extended a shareholder's loan to WMSPL for its working capital, such amounts being proportionate to their shareholding interest in WMSPL (collectively, the "**Initial QLD Loans**"). The amount of the Initial QLD Loans extended by WCL (QLD) Holdings Pty. Ltd., Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investments was A\$11.7 million, A\$1.8 million, A\$0.9 million, A\$1.8 million and A\$1.8 million respectively. In relation to the loan from WCL (QLD) Holdings Pty. Ltd. to WMSPL, WCL (QLD) Holdings Pty. Ltd. was the entity at risk, whereas for the loans from Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investments to WMSPL, WMSPL was the entity at risk. The Initial QLD Loans extended by the shareholders of WMSPL have been capitalised on 25 August 2016 and no outstanding amounts remain as at the Latest Practicable Date.

The aggregate largest amount outstanding under the Initial QLD Loans owing to Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investments during the Period Under Review and the period from 1 January 2017 to the Latest Practicable Date was A\$6.3 million.

As no interest was charged for the Initial QLD Loans, the Audit Committee of the Company considered that the Initial QLD Loans were not extended on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Company and its minority shareholders. The Initial QLD Loans are not required to comply with Rule 906 pursuant to Rule 916(3) as:

- (i) the Initial QLD Loans were provided by all shareholders at the relevant time to WMSPL in proportion to their equity and on the same terms;
- (ii) the interested persons involved do not have an existing equity interest in WMSPL prior to the participation by WCL (QLD) Holdings Pty. Ltd. in the joint venture; and

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<sup>1</sup> The shareholders of WCL (QLD) Margaret St Pty. Ltd. upon incorporation were WCL (QLD) Holdings Pty. Ltd. (a wholly-owned subsidiary of WCG), Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investment holding 65.0%, 10.0%, 5.0%, 10.0% and 10.0% respectively of the shares in WCL (QLD) Margaret St Pty. Ltd.

- (iii) the Audit Committee of the Company is of the view that (i) the provision of the Initial QLD Loan by WCL (QLD) Holdings Pty. Ltd. and the receipt of the Initial QLD Loans by Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investments by WMSPL were not prejudicial to the interests of the Company and its minority shareholders; and (ii) the risks and rewards of WMSPL are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

## **PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS**

### ***Entry into Licence Agreement with WCL***

On 1 January 2016, WCL (being the entity at risk) entered into a licence agreement with WCG (being the interested person) pursuant to which WCL granted WCG the right to use the logo as well as “World Class” in its name, or any part thereof in combination or in conjunction with other marks, names, words, logos, symbols or devices (and any additional trademark(s) which may be agreed to by WCL and WCG in writing from time to time) in connection with WCG’s business in Australia, Indonesia, Malaysia, New Zealand and the Philippines (the “**Specified Region**”) for a nominal consideration of a one-off payment of S\$1.00. The licence may be terminated forthwith, by WCL if the Company, being WCL’s controlling shareholder, holds less than an aggregate of 15.0% direct and deemed interest in the issued and paid-up share capital of WCG, or cease to be the single largest shareholder based on the aggregate of its direct and deemed interest in the issued and paid-up share capital of WCG, or if all of the sub-licencees of the WCG Group under the Licence Agreement change their respective names and related marks (including logos) or part thereof. WCG may terminate the licence by giving three months’ notice if the Company holds less than an aggregate of 15.0% direct and deemed interest in the issued and paid-up share capital of WCG, or upon all the entities or associate companies in the WCG Group changing their names such that each of them no longer incorporates “World Class” as part of their names.

The Audit Committee of the Company considered that this transaction was not conducted on an arm’s length basis or on normal commercial terms, as WCG paid only a nominal consideration for the use of the logo and trademark in the name of WCL, which is also a subsidiary of the Company. However, the Audit Committee is of the view that the terms of the transaction are not prejudicial to the interests of the Company and its minority shareholders as the Company effectively owns 90% of WCG and it is in the best interest of the Company to ensure that the business of the WCG Group is supported and for the WCG Group to further the brand name “World Class” owned by WCL in markets in the Specified Region.

### ***Provision of corporate support services by the Company***

On 1 October 2015, WCG (being the interested person) had entered into a corporate and operation support services agreement (the “**Support Services Agreement**”) with the Company (being the entity at risk) pursuant to which the Company will provide human resource, information technology, internal audit and other support services to the WCG Group. The fees payable under the Support Services Agreement was agreed to be based on a cost-plus basis with a 5% margin, taking into account the manpower and other costs incurred in connection with the provision of such services. The 5% margin is in line with the Company’s transfer pricing arrangements with its subsidiaries.

The Support Services Agreement shall remain in force unless terminated by either party giving three months’ notice. The aggregate values of the amounts paid by WCG pursuant to the Support Services Agreement since the date of incorporation of WCG are as follows:

(S\$'000)	FY2014	FY2015	FY2016	1 January 2017 up to the Latest Practicable Date
Amounts incurred pursuant to the Support Services Agreement	-	389	778	324

As no comparable quotes were available from the market at the relevant time, the Audit Committee of the Company considered that the above transactions were not conducted on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and its minority shareholders as the entry into the Support Services Agreement will enable the WCG Group to enjoy cost savings in terms of operating expenses since the WCG Group would not need to maintain an entire support department which duplicates in function to what the Company can provide. Furthermore, the WCG Group does not need to expend time, cost and effort to source for suitable third parties to provide such support services, but is able to immediately tap on the existing support staffs of the Company who are already very familiar with the WCG Group's operations through their previous involvement. As the Company effectively owns 90% of WCG, it is in the best interest of the Company to ensure that the business of the WCG Group is supported.

#### ***Provision of loans by the Company and ATP under the Revolving Loan Agreement***

Prior to 30 September 2015, WCL (being the entity at risk) extended loans to the WCG Group (being the interested persons) from time to time for various purposes. Such loans were assumed by WCG since 1 January 2015. On 30 September 2015, in connection with the restructuring exercise undertaken by the Company, all the loans provided by WCL were transferred to the Company. On 1 March 2016, WCG entered into the Revolving Loan Agreement with the Company and ATP (the "Lenders"), pursuant to which the Lenders agreed to extend loans of up to an aggregate principal sum of S\$400 million to finance the WCG Group's working capital. All outstanding amounts due to the Company prior to 1 March 2016 were deemed to constitute outstanding loans under the Revolving Loan Agreement. Details of the loans which are still subsisting are set out below.

Lender	Outstanding loan as at 31 December 2014	Outstanding loan as at 31 December 2015	Outstanding loan as at 31 December 2016	Outstanding loan as at the Latest Practicable Date	Largest outstanding amount during the Relevant Period	Interest rate
The Company	-	-	S\$215.1 million <sup>(1)</sup>	S\$220.6 million <sup>(1)</sup>	S\$220.6 million <sup>(1)</sup>	Prevailing Lender's cost of funds plus 0.5% <sup>(2)(4)</sup>
ATP	-	-	S\$137.1 million <sup>(1)</sup>	S\$135.2 million <sup>(1)</sup>	S\$137.1 million <sup>(1)</sup>	Prevailing Lender's cost of funds plus 0.5% <sup>(3)(5)</sup>

#### **Notes:**

- (1) This includes outstanding advances extended to WCG by WCL, the Company and ATP prior to 1 March 2016 (please see details set out above under "Past Interested Person Transactions – Advances by WCL, Advances by the Company and Advances by ATP").
- (2) Interest amounting to S\$9.8 million was incurred in FY2016. Outstanding interest payable to the Company amounting to S\$4.2 million was recorded as at the Latest Practicable Date.
- (3) Interest amounting to S\$5.0 million was incurred in FY2016. Outstanding interest payable to ATP amounting to S\$2.9 million was recorded as at the Latest Practicable Date.

- (4) The prevailing interest rates payable to the Company ranged between 5.25% and 5.75% per annum.
- (5) The prevailing interest rates payable to ATP ranged between 5.69% and 6.37% per annum.

The maturity date of each loan amount drawn down under the Revolving Loan Agreement may range from one, three, six or 12 months as WCG may determine, or such other period as may be agreed between WCG, the Company and/or ATP. As no comparable quotes were obtained for the loans at the relevant time, the Audit Committee of the Company considered that the above transactions were not entered into on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Company and its minority shareholders as such loans are utilised to fund WCG's working capital requirements, acquisition of development sites and properties for development, as well as development expenditures, and WCG was not in a position to obtain bank borrowings expeditiously. As the Company effectively owns 90% of WCG, it is in the best interest of the Company to ensure that the business of the WCG Group is supported.

#### ***Provision of loans by the Company and ATP under the Fixed Loan Agreement***

On 1 March 2016, WCG (being the interested person) entered into a fixed loan agreement (the "**Fixed Loan Agreement**") with the Lenders (being the Company and ATP, which are the entities at risk), pursuant to which the Lenders agreed to extend interest-bearing loans (at the Lender's cost of funds plus 0.5%) of up to an aggregate principal sum of S\$100.0 million or such other sum as may be agreed between the Lenders and WCG, for purposes of financing the WCG Group's working capital requirements for 12 months after a proposed listing of WCG in connection with the proposed spin-off as announced by the Company on 15 January 2015. As at the Latest Practicable Date, no loans have been drawn down under the Fixed Loan Agreement.

As no comparable quotes were obtained for the loans at the relevant time, the Audit Committee of the Company considered that the above transactions were not entered into on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Company and its minority shareholders as the Company will continue to effectively own a large majority of WCG even if the listing occurs, and it is in the best interest of the Company to ensure that the business of the WCG Group is supported..

#### ***Provision of loans by Directors and their Associates***

In September 2016, Mdm Tan Su Lan transferred all her shares in WMSPL to Mr. Koh Wee Seng, for a consideration of A\$2,550,000, based on her initial cost of investment in WMSPL. As a result of the transfer, the shareholders of WMSPL are currently WCL (QLD) Holdings Pty. Ltd. (a wholly-owned subsidiary of WCG), Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Investments (the "**Current QLD Shareholders**") holding 65.0%, 20.0%, 5.0% and 10.0% respectively of the shares in WMSPL.

Each of the Current QLD Shareholders had extended a shareholder loan to WCL (QLD) Margaret St Pty. Ltd. pursuant to the QLD SHA for its working capital, such amounts being proportionate to their shareholding interest in WCL (QLD) Margaret St Pty. Ltd (collectively, the "**Current QLD Loans**"). As at the Latest Practicable Date, the amount of the Current QLD Loans extended by WCL (QLD) Holdings Pty. Ltd., Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Property Investment Pte. Ltd. was approximately A\$1,971,000, A\$607,000, A\$152,000 and A\$303,000 respectively. In relation to the loan from WCL (QLD) Holdings Pty. Ltd. to WMSPL, WCL (QLD) Holdings Pty. Ltd. is the entity at risk, whereas for the loans from Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Property Investment Pte. Ltd. to WCL (QLD) Margaret St Pty. Ltd., WMSPL is the entity at risk.

The Current QLD Loans have no fixed maturity and are repayable on demand, However, each of the Current QLD Shareholders (including DN Investments, Mr. Koh Wee Seng and Ms. Ko Lee Meng who are interested persons) are obliged to support the funding requirements of WMSPL pursuant to the terms of the QLD SHA, and have indicated that they will not demand for repayment of the Current QLD Loans in the next 12 months. The aggregate largest amount outstanding under the Current QLD Loans owing to Mr. Koh Wee Seng, Ms. Ko Lee Meng and DN Investments during the Period Under Review and the period from 1 January 2017 to the Latest Practicable Date was A\$1.1 million.

As no interest was charged for the Current QLD Loans, the Audit Committee of the Company considered that the Current QLD Loans were not extended on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Company and its minority shareholders. The Current QLD Loans are not required to comply with Rule 906 pursuant to Rule 916(3) as:

- (i) the Current QLD Loans were provided by all shareholders to WMSPL in proportion to their equity and on the same terms;
- (ii) the interested persons involved do not have an existing equity interest in WMSPL prior to the participation by WCL (QLD) Holdings Pty. Ltd. in the joint venture; and
- (iii) the Audit Committee of the Company is of the view that (i) the provision of the Current QLD Loan by WCL (QLD) Holdings Pty. Ltd. and the receipt of the Current QLD Loans by Mr. Koh Wee Seng, Ms. Ko Lee Meng, Mdm Tan Su Lan and DN Investments by WMSPL were not prejudicial to the interests of the Company and its minority shareholders; and (ii) the risks and rewards of WMSPL are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

#### ***Provision of corporate guarantees by the Company***

The Company (being the entity at risk), provided the following corporate guarantees in relation to the outstanding amount of loans granted to the WCG Group (being the interested persons) by several financial institutions:

<b>Financial institution</b>	<b>Type of facilities</b>	<b>Amount of facilities guaranteed by the Company for the Period Under Review ('000)</b>	<b>Largest outstanding amount guaranteed by the Company for the Period Under Review and from 1 January 2017 to the Latest Practicable Date ('000)</b>	<b>Amount guaranteed by the Company as at the Latest Practicable Date (\$'000)</b>
OCBC Bank (Malaysia) Berhad	Revolving Credit Facility	RM8,190	RM8,190	2,110
OCBC Bank (Malaysia) Berhad	Term Loan	RM47,300	RM47,313	14,811
Maybank Banking Berhad	Term loan	RM36,840	RM36,840	10,497
United Overseas Bank (Malaysia) Bhd	Fixed Loan	RM32,155	RM32,166	9,224
United Overseas Bank (Malaysia) Bhd	Multi-Option Loan	RM33,580	RM33,580	10,267

Financial institution	Type of facilities	Amount of facilities guaranteed by the Company for the Period Under Review ('000)	Largest outstanding amount guaranteed by the Company for the Period Under Review and from 1 January 2017 to the Latest Practicable Date ('000)	Amount guaranteed by the Company as at the Latest Practicable Date (S\$'000)
CIMB Bank Berhad	Term Loan	RM15,175	RM15,178	4,858
CIMB Bank Berhad	Standby Letter of Credit	S\$10,000	-	_(1)
United Overseas Bank Limited	Term Loan	A\$13,750	A\$13,775	14,465
Oversea-Chinese Banking Corporation Limited	Australian Dollar Cash Advance Facility	A\$9,350	A\$9,354 <sup>(2)</sup>	9,823
Oversea-Chinese Banking Corporation Limited	Foreign Exchange Line	S\$30,000	A\$18,000	_(1)
Oversea-Chinese Banking Corporation Limited	Multi-currency Specific Advance Facility	S\$140,000	A\$37,450	_(1)
United Overseas Bank Limited	Money market loan	A\$10,000	A\$4,300	-
United Overseas Bank Limited / Maybank Banking Berhad	Construction loan / Financial Guarantee	A\$200,000	A\$11,580	12,160

**Notes:-**

- (1) The facilities were unutilised as at the Latest Practicable Date.
- (2) Prior to 31 March 2017, the Australian Dollar Cash Advance Facility from Oversea-Chinese Banking Corporation Limited was fully and solely guaranteed by the Company. With effect from 31 March 2017, the sole corporate guarantee from the Company was replaced by guarantees from the Company, Mr. Koh Wee Seng, Mr. Ng Sheng Tiong and Ms Ko Lee Meng in the proportion 65%, 20%, 10% and 5% respectively.

In addition to the loan granted by financial institutions which are guaranteed by the Company, certain members of the WCG Group (being the interested persons) had on 20 January 2017 entered into the relevant agreements for the issuance of several tranches of notes which will primarily be used to fund the construction of its AVANT development in Melbourne, Victoria, Australia (the "**Avant Notes**"). The first tranche of the Avant Notes with a principal amount of A\$60 million was issued on 23 January 2017. In connection with the Avant Notes, the Company (being the entity at risk) has provided (i) an undertaking to fund any deficiency in the amounts required to redeem the Avant Notes on the expected maturity date on 23 May 2019, and (ii) a corporate guarantee to guarantee the due and punctual payment of all monies required to be paid in relation to the Avant Notes (the "**Avant Aspiial Guarantee**").

The Company charges the WCG Group a fee of 1.0% per annum on (i) the total outstanding amount utilised under the respective facilities by the WCG Group which are guaranteed by the Company, and (ii) the amount guaranteed under the Avant Aspiial Guarantee. The fees paid to the Company by WCG in FY2014, FY2015, FY2016 and the period from 1 January 2017 and up to the Latest Practicable Date for such

guarantees were S\$0.8 million, S\$1.0 million, S\$0.8 million and nil respectively. As no comparable quotes were obtained, the Audit Committee of the Company considered that the corporate guarantees were not granted on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of the Company and its minority shareholders as the corporate guarantees are essential to the fulfilment of the terms in the respective loan agreements with the financial institutions. As the Company effectively owns 90% of WCG, it is in the best interest of the Company to ensure that the funding requirements of the WCG Group are supported.

### ***Provision of project management services***

The employees of the WCG Group are employed by WCG and not by WCG's subsidiaries directly. Accordingly, the project management of the various development projects of WCG's subsidiaries, including WMSPL, are undertaken by the staff in WCG. In consideration for the provision of such services (including marketing, administrative and accounting services) by WCG, WCG charges project management fees to WMSPL through World Class Land (Australia) Pty Ltd based on WCG's costs plus a 5% margin. As WMSPL is an interested person, the provision of project management services to WMSPL are interested person transactions.

On 31 December 2016, WMSPL (being the interested person) entered into a project management agreement with WCG (being the entity at risk) to formalise the provision of project management services by WCG to WMSPL (the "PM Agreement"). Pursuant to the PM Agreement, WMSPL is obliged to pay a monthly project management fee based on WCG's costs plus a 5% margin, taking into account the manpower and other costs incurred in connection with the provision of such services. The PM Agreement can be terminated by the relevant parties at any time, with the terminating party providing three months' notice to the other party on its intention to terminate the said agreement.

The aggregate values of the project management fees incurred by WMSPL for the Period Under Review and the period from 1 January 2017 up to the Latest Practicable Date are as follows:

<b>(S\$'000)</b>		<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>1 January 2017 up to the Latest Practicable Date</b>
Project management fees paid		-	150	240	51

As there were no comparable quotes for similar services obtained for the provision of the project management services by WCG to WMSPL, the Audit Committee of the Company considered that the project management fees charged to WMSPL (through World Class Land (Australia) Pty Ltd in the past or by WCG directly under the current PM Agreement) and the terms of the PM Agreement were not carried out on an arm's length basis or on normal commercial terms, but were not prejudicial to the interests of the Company and the interests of its minority shareholders as WCG's subsidiaries rely on the employees of WCG for the management of the development projects undertaken by WCG's subsidiaries. The 5% margin is in line with the Company's transfer pricing arrangements with its subsidiaries. As the Company effectively owns 90% of WCG, it is in the best interest of the Company to ensure that the business of the WCG Group is supported.