

Issuer: Wee Hur Holdings Ltd.

Security: Wee Hur Holdings Ltd.

Meeting details:

Date: 28 April 2017

Time: 11:30H

Venue: Quality Hotel Marlow Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926

Company Description

Wee Hur Holdings Ltd., an investment holding company, engages in the general building and civil engineering construction, and property development businesses in Singapore. It operates through four segments: Property Development, Building Construction, Investment Property, and Investment holding. The company develops and sells residential, industrial, commercial, or mixed developments. It also provides various construction services, including new construction, additions and alterations, refurbishment and upgrading, and restoration and conservation of heritage and conservation buildings. The company's construction projects comprise residential, commercial, industrial, institutional, religious, restoration, and conservation projects. In addition, it builds and operates dormitory complexes for foreign workers in construction, marine, process, and manufacturing industries, as well as student accommodations for domestic and international students. The company was founded in 1980 and is headquartered in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=E3B)

Q1. In the Chairman’s Message (page 2 of the annual report), the setting up of an Australian-focused Purpose-built Student Accommodation (PBSA) Private Trust was hailed as a milestone for the group in 2016. The group’s target for the trust is to build and operate a portfolio of 4,000 to 5,000 beds over the next 5 years in major cities in Australia and get co-investors to take up 40% of the trust, leaving the group with a 60% and the management of the trust.

- a) **As part of the trust’s growth, has management evaluated other cities that would be attractive for developing purpose-built student accommodation? If so, what are the cities and what are the most attractive opportunities?**
- b) **How much capital investment is required for the first two PBSA (Unilodge@Park Central and Park Central) in Brisbane? What would be the total capital commitment and development costs for the trust to acquire 5,000 beds?**
- c) **How is the group going to fund this new business?**

Q2. Can management update shareholders on their plans for MEGA@Woodlands? As at mid-Mar 2017, the group has only achieved sales level of 27%. The Chairman in his message has recognised that “sales have been slow”. Given the short 30-year lease, it is important for the group to achieve better sales in the 512-unit development before TOP which is expected to be received by end-2017.

Shareholders would also like to understand if the group has the option to lease out any unsold units, under the current regulations.

Q3. The group’s core business of building construction generated a healthy segment profit after tax of \$14.3 million in 2016. The segment profits in the past three years were \$20.1 million in 2015 and \$9.2 million in both 2014 and 2013.

The revenue in 2016 was a drop compared to the revenue in 2013-2015: \$158.9 million in 2016, \$224.0 million in 2015, \$250.3 million in 2014 and \$279.6 million in 2013.

- a) **How does the group differentiate itself from its competitors?**
- b) **What are the ways the group can preserve its profit margin despite aggressive price competition from its competitors?**
- c) **Can management confirm that their focus (when bidding on a project) is on the profitability and not on the revenue?**

The group will be using the Prefabricated Prefinished Volumetric Construction (“PPVC”) method for the 735-unit condominium at Fernvale Road.

- d) **What are the timing and cost advantages of using the PPVC method?**
- e) **Is the group the first-to-market with the PPVC method? Does the PPVC method give the group a competitive advantage?**