

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Wei Yuan Holdings Limited

偉源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1343)

VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE LEASE OFFER FOR THE LEASE OF PREMISES

THE LEASE OFFER

The Board is pleased to announce that on 26 February 2025, WGC, an indirect wholly-owned subsidiary of the Company, accepted the Lease Offer from JTC, a Singapore government agency, in respect of the lease of Premises at the Land and Building Premium of S\$18,600,000 (exclusive of prevailing GST).

LISTING RULES IMPLICATIONS

Pursuant to IFRS 16, the entering into the lease of Premises as lessee will require the Group to recognise the Premises as right-of-use assets, thus entering into the lease of Premises and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The value (unaudited) of the right-of-use assets to be recognised by the Group under the lease of Premises will be amounted to approximately S\$19.5 million, being the sum of Land and Building Premium of S\$18,600,000 plus other transaction costs of S\$11,418.67 and stamp duty of S\$899,600.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction is more than 100%, the Transaction constitutes a very substantial acquisition for the Company and is therefore subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held by the Company to seek the Shareholders' approval on the lease of Premises and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the lease of Premises. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolution to approve the lease of Premises and the transactions contemplated thereunder.

GENERAL

A circular containing, among others, (i) further information regarding the lease of Premises and the transactions contemplated thereunder; and (ii) the notice of the EGM, will be despatched to the Shareholders on or before 19 March 2025 in accordance with the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 26 February 2025, WGC, an indirect wholly-owned subsidiary of the Company, accepted the Lease Offer from JTC, a Singapore government agency, in respect of the lease of Premises at the Land and Building Premium of S\$18,600,000 (exclusive of prevailing GST).

THE LEASE OFFER

A summary of the principal terms of the Lease Offer and other relevant information is as follows:

Commencement Date

26 April 2025

Parties

- (1) JTC (as tender issuer/lessor); and
- (2) WGC (as tenderer/lessee).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, JTC is a third party independent of the Company and its connected persons.

The Lease and Information of the Premises

Pursuant to the terms of the Conditions of Tender and the Lease Offer, WGC has submitted the Acceptance Letter to JTC on 26 February 2025. After receiving the Acceptance Letter from WGC, JTC shall issue the Confirmation of Tenure and enter into the lease of Premises with WGC from the Commencement Date. JTC shall hand over the possession of the Premises within two months before the Commencement Date to WGC. WGC must install solar photovoltaic panels on the roof of the building to fulfil the green building obligations and such installation should be completed within two years from the Commencement Date.

The premises situated at 18 Chin Bee Drive Singapore 619865 with a land area of approximately 9,861.80 square metres and factory buildings with a gross floor area of approximately 8,635.76 square metres erected thereon. The Premises is currently vacant and authorised for the following usage: (i) workshop for repair and maintenance of the Group's vehicles, (ii) parking of the Group's vehicles; and (iii) ancillary dormitory. The lease of

Premises has a lease term of 20 years from the Commencement Date (i.e. 26 April 2025). The Premises will be served as our headquarter, including office, warehouse and dormitory. The Company currently has no plan to lease out any part of the Premises.

Consideration and Payment Terms

The Land and Building Premium is in the sum of S\$18,600,000 (exclusive of prevailing GST). The Land and Building Premium and other transaction costs thereon shall be settled by WGC in the following manner:

- (a) a tender deposit of S\$200,000 paid by way of bank transfer at the time when the tender was submitted and such tender deposit has been applied in part-payment of the Land and Building Premium;
- (b) a further deposit of S\$1,660,000 and other transaction costs of S\$11,418.67 plus the prevailing GST of S\$168,427.68 and stamp duty of S\$899,600 paid by way of bank transfer on or before the acceptance of the Lease Offer, and such deposit shall also be applied in part-payment of the Land and Building Premium; and
- (c) the remaining balance of the Land and Building Premium of S\$16,740,000 and the prevailing GST shall be paid by way of bank transfer before the Commencement Date.

The Land and Building Premium was determined by the Company with reference to the prevailing market value of comparable properties available in the vicinity. The Company has engaged an independent valuer to perform valuation on the Premises and the valuation of the Premises as at 7 February 2025 was S\$18,600,000, which is consistent with the Land and Building Premium. The valuer has valued the Premises by using market approach by making reference to comparable transactions as available in the open market. The Company will include the valuation report of the Premises in the circular to be despatched to the Shareholders.

The Land and Building Premium together with other transaction costs thereon, the prevailing GST and stamp duty will be funded by the Group's internal resources and banking facilities available to the Group.

INFORMATION OF THE PARTIES AND THE GROUP

JTC

JTC is a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore's industrial progress. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, JTC is a third party independent of the Company and its connected persons.

WGC

WGC is a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of the Company. WGC engages in providing general construction of other civil engineering projects in Singapore.

The Group

The Company was incorporated in the Cayman Islands with limited liability and an investment holding company holding the interest of other subsidiaries of the Group. The Group is involved as a main contractor or subcontractor in both private and public sector civil engineering projects in Singapore and the revenue was principally derived from (i) contract works in relation to the installation of power cables, telecommunication cables (including ISP works and OSP works) and sewerage pipelines by applying methods such as open cut excavation or trenchless methods; (ii) road milling and resurfacing services; (iii) ancillary support and other services; and (iv) sales of goods and milled waste.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The existing lease of the Group's headquarter in Singapore, 37 Kranji Link Singapore 728643, will be expired on 30 December 2025 while the lessor of the existing headquarter is JTC. The headquarter currently serves as office, warehouse and dormitory. The Group was informed by JTC that Kranji estates, where the existing headquarter located in, would be redeveloped and JTC would not consider any request for lease renewal of the existing headquarter.

The Directors considered that leasing the Premises for a tenure of 20 years could avoid (i) the risk of inability to find suitable premises for relocation upon expiration or termination of the leases as the Group may not be able to renew the leases with comparable and/or commercially acceptable terms and condition; and (ii) the renovation expenses and time costs that may be incurred by the Group for further relocation within 20 years.

According to the website of JTC, the average of the 25th percentile rent per month in the west region of Singapore was approximately S\$18.7 per square metre in the forth quarter in 2024. Having considered (i) the land area of the Premises of approximately 9,861.80 square metres; and (ii) the average lower quartile rent per month in the west region of Singapore of approximately S\$18.7 per square metre, the estimated rent of the Premises for 20 years would be approximately S\$44.3 million, which is higher than the Land and Building Premium.

The Directors are of the view that the lease of Premises is in the ordinary and usual course of the Group's business, and is consistent with the Group's current (and prevailing) business strategies and conduct. Taking into consideration (i) the inability to renew the lease of the existing headquarter; (ii) leasing the Premises for a tenure of 20 years could avoid the risk of inability to find suitable premises and associated renovation expenses and time costs within 20 years; and (iii) the Land and Building Premium paid would be lower than the estimated rent of the Premises for 20 years calculated based on the average lower quantile rent per month in the west region of Singapore, the Directors are of the view that the lease of Premises (including the terms of the Conditions of Tender and the Lease Offer) is fair and reasonable, and also having taken into account the above reasons and benefits, considering that the lease of Premises and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to IFRS 16, the entering into the lease of Premises as lessee will require the Group to recognise the Premises as right-of-use assets, thus entering into the lease of Premises and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The value (unaudited) of the right-of-use assets to be recognised by the Group under the lease of Premises will be amounted to approximately S\$19.5 million, being the sum of Land and Building Premium of S\$18,600,000 plus other transaction costs of S\$11,418.67 and stamp duty of S\$899,600.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction is more than 100%, the Transaction constitutes a very substantial acquisition for the Company and is therefore subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held by the Company to seek the Shareholders' approval on the lease of Premises and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the lease of Premises. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolution to approve the lease of Premises and the transactions contemplated thereunder.

GENERAL

A circular containing, among others, (i) further information regarding the lease of Premises and the transactions contemplated thereunder; and (ii) the notice of the EGM, will be despatched to the Shareholders on or before 19 March 2025 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions of the following meanings were used:

“Acceptance Letter”	the letter of acceptance of the Lease Offer (substantially in the form dated 26 February 2025 and on the terms and conditions set out in Appendix 4 to the Conditions of Tender) signed by WGC
“Board”	the board of Directors
“Commencement Date”	26 April 2025, being the commencement date of the lease of Premises
“Company”	Wei Yuan Holdings Limited, a company incorporated in the Cayman Islands with limited liability of which the shares are listed on the Main Board of the Stock Exchange (stock code: 1343)

“Conditions of Tender”	the conditions of tender for the lease of Premises set out in the documents of the Tender
“Confirmation of Tenure”	the confirmation of tenure to be issued by JTC confirming the lease of Premises and the terms of the lease of Premises pursuant to the Lease Offer
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened and held by the Company to seek the Shareholders’ approval on the lease of Premises and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries from time to time
“GST”	goods and services tax chargeable under the Goods and Services Tax Act, Chapter 117A Laws of Singapore
“IFRS”	International Financial Reporting Standard issued by the International Accounting Standards Board
“ISP works”	cable laying works in indoor applications from existing manhole fibre network to the main distribution server room inside a building
“JTC”	JTC Corporation, a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore’s industrial progress
“Land and Building Premium”	the tendered land and building premium of S\$18,600,000 (exclusive of prevailing GST), being the bid price submitted by WGC under the Tender
“Lease Offer”	the letter of offer dated 5 February 2025 including all the terms and conditions for the lease of Premises (substantially in the form and on the terms and conditions set out in Appendix 4 to the Conditions of Tender) issued by JTC pursuant to the Conditions of Tender
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“OSP works”	construction of connectivity from existing fibre network to buildings in outdoor applications

“Premises”	the premises comprising a piece of leasehold industrial land and its buildings situated at 18 Chin Bee Drive Singapore 619865 with a land area of approximately 9,861.80 square metres and factory buildings with a gross floor area of approximately 8,635.76 square metres erected thereon
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“S\$”	Singaporean dollar(s), the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the form of tender submitted by WGC for the lease of Premises by JTC by way of public tender
“Transaction”	the lease of Premises from JTC for a tenure of 20 years from the Commencement Date under the terms of the Conditions of Tender and the Lease Offer
“WGC”	Wee Guan Construction Pte Ltd, a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	percentage

By Order of the Board
Wei Yuan Holdings Limited
Ng Tian Soo
Chairman and Executive Director

Singapore, 26 February 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Tian Soo and Mr. Ng Tian Fah; and three independent non-executive Directors, namely Mr. Gary Ng Sin Tong (alias Mr. Gary Huang Chendong), Ms. Lee Wing Yin Jessica and Mr. George Christopher Holland.