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WEIYE HOLDINGS LIMITED

偉業控股有限公司*

*(Singapore Company Registration Number: 198402850E)
(Incorporated in the Republic of Singapore with limited liability)*

(Hong Kong Stock Code: 1570)

(Singapore Stock Code: BMA)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

UNAUDITED FINANCIAL RESULTS

The Board (the “Board”) of Directors (the “Directors”) of Weiye Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the second quarter (“2Q2016”) and the six months ended 30 June 2016 (“1H2016”), together with the relevant comparative figures for the second quarter (“2Q2015”) and six months ended 30 June 2015 (“1H2015”) as follows:

* For identification purposes only

CONDENSED CONSOLIDATED INCOME STATEMENT

		GROUP			GROUP		
	Note	2Q2016 RMB'000 (unaudited)	2Q2015 RMB'000 (unaudited)	% change +/(-)	1H2016 RMB'000 (unaudited)	1H2015 RMB'000 (unaudited)	% change +/(-)
Revenue							
– Development properties	3	267,181	243,518	10%	363,873	447,292	-19%
– Housing construction		–	47,187	-100%	182	76,750	-100%
– Equipment manufacturing		28,010	19,453	44%	46,801	30,408	54%
		<u>295,191</u>	<u>310,158</u>		<u>410,856</u>	<u>554,450</u>	
Cost of sales							
– Development properties		(194,477)	(188,977)	3%	(241,130)	(339,589)	-29%
– Housing construction		(57)	(45,593)	-100%	(407)	(73,918)	-99%
– Equipment manufacturing		(15,772)	(12,327)	28%	(28,774)	(19,945)	44%
		<u>(210,306)</u>	<u>(246,897)</u>		<u>(270,311)</u>	<u>(433,452)</u>	
Gross profit		<u>84,885</u>	<u>63,261</u>	34%	<u>140,545</u>	<u>120,998</u>	16%
Other income	4	31,455	20,239	55%	32,171	22,799	41%
Selling and distribution expenses		(11,097)	(5,034)	120%	(16,128)	(12,846)	26%
Administrative expenses		(39,040)	(18,971)	106%	(66,097)	(42,280)	56%
Finance income/(costs), net	5	6,929	(255)	-2,817%	5,130	(3,834)	-234%
Other operating expenses		(1,193)	(2,418)	-51%	(1,461)	(2,832)	-48%
Results from operations		<u>71,939</u>	<u>56,822</u>		<u>94,160</u>	<u>82,005</u>	
Share of loss of investment in joint venture, net of tax		<u>(2,172)</u>	<u>(5,744)</u>	-62%	<u>(2,991)</u>	<u>(5,744)</u>	-48%
Profit before taxation		<u>69,767</u>	<u>51,078</u>		<u>91,169</u>	<u>76,261</u>	
Taxation	6	<u>(35,618)</u>	<u>(19,126)</u>	86%	<u>(48,510)</u>	<u>(32,706)</u>	48%
Profit for the period	7	<u><u>34,149</u></u>	<u><u>31,952</u></u>	7%	<u><u>42,659</u></u>	<u><u>43,555</u></u>	-2%
Profit attributable to:							
Owners of the Company		<u>19,547</u>	<u>29,085</u>		<u>28,026</u>	<u>34,656</u>	
Non-controlling interests		<u>14,602</u>	<u>2,867</u>		<u>14,633</u>	<u>8,899</u>	
		<u><u>34,149</u></u>	<u><u>31,952</u></u>		<u><u>42,659</u></u>	<u><u>43,555</u></u>	

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	2Q2016	GROUP 2Q2015	% change	1H2016	GROUP 1H2015	% change
	<i>RMB'000</i>	<i>RMB'000</i>	+ / (-)	<i>RMB'000</i>	<i>RMB'000</i>	+ / (-)
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
Profit for the period	34,149	31,952		42,659	43,555	
Other comprehensive (loss)/income						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation differences						
– foreign operations	(3,447)	(3,001)	15%	(6,071)	1,281	n.m
Net change in fair value of financial assets available-for-sale	–	–	n.m	–	28	-100%
Net change in fair value of financial assets available-for-sale reclassified to profit or loss	–	–	n.m	–	(563)	100%
	<u>–</u>	<u>–</u>		<u>–</u>	<u>(563)</u>	
Total other comprehensive (loss)/income for the period, net of tax	(3,447)	(3,001)		(6,071)	746	
	<u>(3,447)</u>	<u>(3,001)</u>		<u>(6,071)</u>	<u>746</u>	
Total comprehensive income for the period	30,702	28,951		36,588	44,301	
	<u><u>30,702</u></u>	<u><u>28,951</u></u>		<u><u>36,588</u></u>	<u><u>44,301</u></u>	
Total comprehensive income attributable to:						
Owners of the Company	16,100	26,084		21,955	35,402	
Non-controlling interests	14,602	2,867		14,633	8,899	
	<u>14,602</u>	<u>2,867</u>		<u>14,633</u>	<u>8,899</u>	
	30,702	28,951		36,588	44,301	
	<u><u>30,702</u></u>	<u><u>28,951</u></u>		<u><u>36,588</u></u>	<u><u>44,301</u></u>	

Note:

n.m: Not meaningful

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
	Note	RMB'000 (unaudited)	RMB'000 (audited)	RMB'000 (unaudited)	RMB'000 (audited)
Non-current assets					
Property, plant and equipment	8	45,477	43,850	10	14
Investments in subsidiaries		–	–	1,669,975	1,669,975
Investment in joint venture		129,585	132,576	–	–
Investment properties		331,000	331,000	–	–
Investment properties – under development		55,000	55,000	–	–
Amount due from non-controlling interests (non-trade)		8,481	99,160	–	–
Amount due from a joint venture partner (non-trade)		111,659	105,440	–	–
Trade and other receivables		35,000	35,000	–	–
Intangible assets		3,214	2,725	–	–
Club memberships		428	400	428	400
Deferred tax assets		15,588	17,654	–	–
		735,432	822,805	1,670,413	1,670,389
Current assets					
Properties held for sale and development		1,143,635	1,082,606	–	–
Inventories		12,754	10,997	–	–
Trade and other receivables	9	2,550,646	2,128,182	–	61
Amount due from a joint venture partner (non-trade)		19,357	18,498	–	–
Amount due from joint venture (non-trade)		–	27,263	–	–
Amount due from subsidiaries (non-trade)		–	–	25,783	23,131
Prepaid tax		10,004	5,901	–	66
Other financial assets		3,499	–	–	–
Cash and cash equivalents		1,256,980	883,610	9,799	10,406
Assets classified as held for sale		150,000	150,000	–	–
		5,146,875	4,307,057	35,582	33,664

	Note	GROUP		COMPANY	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000
		(unaudited)	(audited)	(unaudited)	(audited)
Current liabilities					
Trade and other payables	10	488,952	795,755	3,506	2,167
Advance receipts from sale of properties		332,740	343,786	-	-
Amount due to joint venture (non-trade)		125,238	-	-	-
Amount due to subsidiaries (non-trade)		-	-	49,937	34,221
Loans and borrowings	12	860,262	755,292	-	-
Finance lease liabilities	12	113	110	-	-
Income tax payable		227,875	235,223	-	-
		2,035,180	2,130,166	53,443	36,388
Net current assets/(liabilities)		3,111,695	2,176,891	(17,861)	(2,724)
Non-current liabilities					
Finance lease liabilities	12	79	124	-	-
Loans and borrowings	12	2,269,289	1,499,391	-	-
Deferred tax liabilities		237,065	221,889	-	-
		2,506,433	1,721,404	-	-
Net assets		1,340,694	1,278,292	1,652,552	1,667,665
Equity					
Share capital	11	359,700	359,700	1,737,554	1,737,554
Reserves		828,092	780,323	(85,002)	(69,889)
Equity attributable to owners of the Company		1,187,792	1,140,023	1,652,552	1,667,665
Non-controlling interests		152,902	138,269	-	-
Total equity		1,340,694	1,278,292	1,652,552	1,667,665

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	2Q2016 RMB'000 (unaudited)	2Q2015 RMB'000 (unaudited)	1H2016 RMB'000 (unaudited)	1H2015 RMB'000 (unaudited)
Cash flows from operating activities:				
Profit before taxation	69,767	51,078	91,169	76,261
Adjustments for:				
Amortisation of intangible assets	252	42	501	87
Depreciation of property, plant and equipment	1,667	1,446	2,641	2,734
Interest income	(14,810)	(12,786)	(23,876)	(13,959)
Finance expense	7,882	13,040	18,747	17,792
Gain on disposal of quoted equity investments	(233)	–	(233)	–
Property, plant and equipment written off	–	(5)	–	–
Gain on disposal of property, plant and equipment	–	(374)	–	(400)
Loss on disposal of club membership	–	7	–	7
Gain on disposal of assets classified as held for sale	–	(5,710)	–	(5,710)
Net gain on disposal of financial asset available-for-sale reclassified from equity	–	–	–	(563)
Fair value loss/(gain) on quoted equity investments	621	(132)	710	(132)
Share of loss of investment in joint venture, net of tax	2,172	5,744	2,991	5,744
Net change in fair value of investment properties and investment properties under development	–	(13,547)	–	(13,547)
Listing expenses	10,300	–	16,342	–
Effects of exchange rate changes	7,997	3,452	3,650	3,316
Cash flows from operating activities before working capital changes	85,615	42,255	112,642	71,630
(Increase)/Decrease in properties held for sale and development	64,573	97,223	(30,786)	129,747
(Increase)/Decrease in inventories	(370)	27	(1,757)	156
(Increase)/Decrease in trade and other receivables	(150,832)	(4,922)	(305,440)	50,437
(Decrease)/Increase in trade and other payables	8,290	101,930	(192,611)	118,245
Cash flows generated/(used in) from operations	7,276	236,513	(417,952)	370,215
Income tax paid	(23,295)	(29,729)	(42,719)	(43,717)
Net cash flows (used in)/from operating activities	(16,019)	206,784	(460,671)	326,498

	GROUP		GROUP	
	2Q2016	2Q2015	1H2016	1H2015
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flows from investing activities:				
Proceeds from disposal of assets classified as held for sale	–	23,775	–	23,775
Purchase of property, plant and equipment	(2,414)	(1,247)	(2,426)	(1,792)
Proceeds from disposal of property, plant and equipment	–	–	–	27
Interest received	11,198	2,237	13,990	3,410
Additions to intangible assets	(742)	(122)	(991)	(288)
Purchase of quoted equity investment	(23,130)	(4,874)	(27,273)	(4,874)
Proceed from disposal of quoted equity investment	23,296	–	23,296	–
Proceeds from disposal of financial assets available-for-sale	–	–	–	7,071
Repayment from non-controlling interest	90,679	–	90,679	–
Net cash flows from investing activities	98,887	19,769	97,275	27,329
Cash flows from financing activities:				
Decrease in amount due to directors (non-trade)	–	(3,535)	–	(5,315)
Decrease/(Increase) in restricted cash	95,877	(337,447)	130,716	(379,257)
Repayment of finance leases	(25)	–	(118)	–
Interest paid	(59,053)	(82,126)	(110,129)	(143,173)
Repayment of bank borrowings	(427,240)	(250,575)	(489,875)	(635,012)
Payment of listing expenses	(10,300)	–	(16,342)	–
Proceeds from bank borrowings	421,105	536,400	1,355,988	808,900
Net cash flows from/(used in) financing activities	20,364	(137,283)	870,240	(353,857)
Net increase/(decrease) in cash and cash equivalents	103,232	89,270	506,844	(30)
Cash and cash equivalents at the beginning of financial period	709,403	285,144	305,595	375,186
Effects of exchange rate changes on opening balances of cash and cash equivalents	–	420	196	(322)
Cash and cash equivalents at the end of financial period	812,635	374,834	812,635	374,834
Additional information:				
Cash and cash equivalents	1,256,980	972,135	1,256,980	972,135
Less: restricted cash	(444,345)	(597,301)	(444,345)	(597,301)
Total cash and cash equivalents in cash flow statement	812,635	374,834	812,635	374,834

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	←----- Attributable to owners of the Company ----->									
	Share capital <i>RMB'000</i>	Merger reserve <i>RMB'000</i>	Capital reserves <i>RMB'000</i>	Foreign			Retained earnings <i>RMB'000</i>	Total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
				currency translation reserve <i>RMB'000</i>	Fair value adjustment reserve <i>RMB'000</i>	Statutory and other reserve <i>RMB'000</i>				
At 1 January 2016	359,700	(59,669)	(550)	(12,235)	-	80,627	772,150	1,140,023	138,269	1,278,292
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	8,479	8,479	31	8,510
Other comprehensive loss										
Foreign currency translation differences – foreign operations	-	-	-	(2,624)	-	-	-	(2,624)	-	(2,624)
Total other comprehensive income/(loss)	-	-	-	(2,624)	-	-	-	(2,624)	-	(2,624)
Total comprehensive income/(loss) for the period	-	-	-	(2,624)	-	-	8,479	5,855	31	5,886
Contributions by and distributions to owners										
Transfer to statutory reserves	-	-	-	-	-	3,327	(3,327)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	3,327	(3,327)	-	-	-
Changes in ownership interests in subsidiary										
Issuance of share to non-controlling interest	-	-	-	-	-	25,814	-	25,814	-	25,814
Total changes in ownership interests in subsidiary	-	-	-	-	-	25,814	-	25,814	-	25,814
Total transactions with owners	-	-	-	-	-	29,141	(3,327)	25,814	-	25,814
At 31 March 2016	<u>359,700</u>	<u>(59,669)</u>	<u>(550)</u>	<u>(14,859)</u>	<u>-</u>	<u>109,768</u>	<u>777,302</u>	<u>1,171,692</u>	<u>138,300</u>	<u>1,309,992</u>

<-----Attributable to owners of the Company----->

GROUP	Share	Merger	Capital	Foreign	Fair value	Statutory	Retained	Total	Non-	Total
	capital	reserve	reserves	currency	adjustment	and other	earnings	controlling	interests	equity
	RMB'000	RMB'000	RMB'000	translation	reserve	reserve	RMB'000	RMB'000	RMB'000	RMB'000
Total comprehensive income/(loss) for the period										
Profit for the period	-	-	-	-	-	-	19,547	19,547	14,602	34,149
Other comprehensive income/(loss)										
Foreign currency translation differences – foreign operations	-	-	-	(3,447)	-	-	-	(3,447)	-	(3,447)
Total other comprehensive income/(loss)	-	-	-	(3,447)	-	-	-	(3,447)	-	(3,447)
Total comprehensive income/(loss) for the period	-	-	-	(3,447)	-	-	19,547	16,100	14,602	37,256
Contributions by and distributions to owners										
Transfer to statutory reserves	-	-	-	-	-	3,545	(3,545)	-	-	-
Total contributions by and distributions to owners	-	-	-	(3,447)	-	3,545	(3,545)	-	-	-
Total transactions with owners	-	-	-	(3,447)	-	3,545	(3,545)	-	-	-
At 30 June 2016	<u>359,700</u>	<u>(59,669)</u>	<u>(550)</u>	<u>(18,306)</u>	<u>-</u>	<u>113,313</u>	<u>793,304</u>	<u>1,187,792</u>	<u>152,902</u>	<u>1,340,694</u>

←----- Attributable to owners of the Company ----->

GROUP	Share	Merger	Capital	Foreign	Fair value	Statutory	Retained	Total	Non-	Total
	capital	reserve	reserves	currency	adjustment	and other	earnings		controlling	equity
	RMB'000	RMB'000	RMB'000	translation	reserve	reserve		RMB'000	interests	RMB'000
				reserve	reserve	reserve				
At 1 January 2015	359,700	(59,669)	(550)	(11,383)	535	64,814	693,845	1,047,292	125,795	1,173,087
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	5,571	5,571	6,032	11,603
Other comprehensive income/(loss)										
Foreign currency translation differences – foreign operations	-	-	-	4,282	-	-	-	4,282	-	4,282
Net change in fair value of financial assets available-for-sale	-	-	-	-	28	-	-	28	-	28
Net change in fair value of financial assets available-for-sale reclassified to profit or loss	-	-	-	-	(563)	-	-	(563)	-	(563)
Total other comprehensive income/(loss)	-	-	-	4,282	(535)	-	-	3,747	-	3,747
Total comprehensive income/(loss) for the period	-	-	-	4,282	(535)	-	5,571	9,318	6,032	15,350
Contributions by and distributions to owners										
Transfer to statutory reserves	-	-	-	-	-	3,243	(3,243)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	3,243	(3,243)	-	-	-
At 31 March 2015	<u>359,700</u>	<u>(59,669)</u>	<u>(550)</u>	<u>(7,101)</u>	<u>-</u>	<u>68,057</u>	<u>696,173</u>	<u>1,056,610</u>	<u>131,827</u>	<u>1,188,437</u>

←----- Attributable to owners of the Company ----->

GROUP	Share	Merger	Capital	Foreign	Fair value	Statutory	Retained	Total	Non-	Total
	capital	reserve	reserves	currency	adjustment	and other	earnings		controlling	equity
	RMB'000	RMB'000	RMB'000	translation	reserve	reserve	RMB'000	RMB'000	interests	RMB'000
Total comprehensive income/(loss) for the period										
Profit for the period	-	-	-	-	-	-	29,085	29,085	2,867	31,952
Other comprehensive income/(loss)										
Foreign currency translation differences – foreign operations	-	-	-	(3,001)	-	-	-	(3,001)	-	(3,001)
Total other comprehensive income/(loss)	-	-	-	(3,001)	-	-	-	(3,001)	-	(3,001)
Total comprehensive income/(loss) for the period	-	-	-	(3,001)	-	-	29,085	26,084	2,867	28,951
Contributions by and distributions to owners										
Transfer to statutory reserves	-	-	-	-	-	5,545	(5,545)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	5,545	(5,545)	-	-	-
At 30 June 2015	<u>359,700</u>	<u>(59,669)</u>	<u>(550)</u>	<u>(10,102)</u>	<u>-</u>	<u>73,602</u>	<u>719,713</u>	<u>1,082,694</u>	<u>134,694</u>	<u>1,217,388</u>

Company	<-----Attributable to owners of the Company----->					
	Share capital <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Foreign currency translation reserve <i>RMB'000</i>	Employee share option reserve <i>RMB'000</i>	Fair value reserves <i>RMB'000</i>	Total equity <i>RMB'000</i>
Balance as at 1 January 2016	1,737,554	(77,733)	7,262	582	-	1,667,665
Total comprehensive loss for the period						
Loss for the period	-	(5,053)	-	-	-	(5,053)
Other comprehensive loss						
- Foreign currency translation differences						
- foreign operations	-	-	(210)	-	-	(210)
Total other comprehensive loss	-	-	(210)	-	-	(210)
Total comprehensive loss	-	(5,053)	(210)	-	-	(5,263)
Balance as at 31 March 2016	<u>1,737,554</u>	<u>(82,786)</u>	<u>7,052</u>	<u>582</u>	<u>-</u>	<u>1,662,402</u>
Total comprehensive loss for the period						
Loss for the period	-	(9,804)	-	-	-	(1,682)
Other comprehensive loss						
- Foreign currency translation differences						
- foreign operations	-	-	(46)	-	-	(1,334)
Total other comprehensive loss	-	-	(46)	-	-	(1,334)
Total comprehensive loss	-	(9,804)	(46)	-	-	(3,016)
Balance as at 30 June 2016	<u>1,737,554</u>	<u>(92,590)</u>	<u>7,006</u>	<u>582</u>	<u>-</u>	<u>1,652,552</u>

<----- Attributable to owners of the Company ----->

Company	Share capital RMB'000	Accumulated losses RMB'000	Foreign currency translation reserve RMB'000	Employee share option reserve RMB'000	Fair value reserves RMB'000	Total equity RMB'000
Balance as at 1 January 2015	1,737,554	(80,028)	8,479	582	48	1,666,635
Total comprehensive loss for the period						
Loss for the period	-	(1,682)	-	-	-	(1,682)
Other comprehensive loss						
- Foreign currency translation differences						
- foreign operations	-	-	(1,334)	-	-	(1,334)
Total other comprehensive loss	-	-	(1,334)	-	-	(1,334)
Total comprehensive loss	-	(1,682)	(1,334)	-	-	(3,016)
Balance as at 31 March 2015	<u>1,737,554</u>	<u>(81,710)</u>	<u>7,145</u>	<u>582</u>	<u>48</u>	<u>1,663,619</u>
Total comprehensive (income)/loss for the period						
Net profit for the period	-	17,865	-	-	-	17,865
Other comprehensive loss						
- Foreign currency translation differences						
- foreign operations	-	-	(3,185)	-	-	(3,185)
Total other comprehensive loss	-	-	(3,185)	-	-	(3,185)
Total comprehensive (income)/loss	-	17,865	(3,185)	-	-	14,680
Balance as at 30 June 2015	<u>1,737,554</u>	<u>(63,845)</u>	<u>3,960</u>	<u>582</u>	<u>48</u>	<u>1,678,299</u>

1. GENERAL INFORMATION

Weiyee Holdings Limited is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 8 Pandan Crescent, #01-06, Singapore, 128464. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") since 16 August 2011 and 6 April 2016, respectively.

The consolidated financial statements of the Group as at and for the six months ended 30 June 2016 comprise the Company and its subsidiaries.

The principal activities of the Group are those of property developers for residential and commercial properties in the People's Republic of China (the "PRC"), and the manufacturing and trading of air-conditioning and clean room equipment.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on historical cost basis.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2015.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2016, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the accumulated profits of the Group as at 1 January 2016.

The Company's functional currency is the Singapore dollar. As the Group's operations are principally conducted in the People's Republic of China ("PRC"), the consolidated financial statements have been presented in the Chinese Renminbi ("RMB"). All financial information presented in RMB has been rounded to the nearest thousand (RMB'000), unless otherwise stated.

The condensed consolidated financial statements is unaudited and not reviewed by the auditor, but has been reviewed by the Audit Committee of the Company.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services offered, and has three reportable operating segments as follows:

I. Development properties

Development properties refer to the development and sales of both commercial and residential property units in PRC.

II. Housing construction

Housing construction refers to the construction of resettlement houses in Zhengzhou city, Henan Province, PRC.

III. Clean room equipment, heat ventilation and air-conditioning products, and air purifiers ("Equipment manufacturing")

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. Clean room equipment include fan filter units, air showers, clean booths, pass boxes, clean hand dryers and clean benches, amongst others. Heat ventilation and air-conditioning products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space. Air purifiers (also referred to as air cleaners) are electrical devices that remove solid and gaseous pollutants from the air such as formaldehyde and PM2.5 which may pose adverse health risks that include breathing difficulties, asthma and allergies. Through the function of air filters or sterilising systems built into each air purifier, the concentration of dust, contaminants, fine particles and volatile organic compounds in the air are reduced to the benefit of individuals within the immediate vicinity.

The Group's Executive Chairman monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

There are no inter-segment sales within the Group.

Reconciliations of reportable revenues, profit or loss, assets and liabilities

	Six Months Ended 30 June (unaudited)							
	Development Properties		Housing Construction		Equipment Manufacturing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	<u>363,873</u>	<u>447,292</u>	<u>182</u>	<u>76,750</u>	<u>46,801</u>	<u>30,408</u>	<u>410,856</u>	<u>554,450</u>
Segments results	<u>106,972</u>	<u>86,582</u>	<u>(6,476)</u>	<u>(2,740)</u>	<u>(11,467)</u>	<u>1,996</u>	<u>89,030</u>	<u>85,838</u>
Finance income	22,509	13,456	967	503	400	-	23,876	13,959
Finance costs	(18,412)	(17,700)	(15)	(8)	(319)	(84)	(18,746)	(17,792)
Profit before income tax							94,160	82,005
Taxation							(48,510)	(32,706)
Share of loss of investment in joint-venture, net of tax							(2,991)	(5,744)
Non controlling interests							(14,633)	(8,899)
Profit attributable to owners of the Group							<u>28,026</u>	<u>34,656</u>
Segment assets	<u>3,058,110</u>	<u>2,680,035</u>	<u>2,446,333</u>	<u>1,796,768</u>	<u>377,864</u>	<u>302,889</u>	<u>5,882,307</u>	<u>4,779,692</u>
Segment liabilities	<u>943,206</u>	<u>1,001,735</u>	<u>319,916</u>	<u>643,058</u>	<u>102,194</u>	<u>96,216</u>	<u>1,365,316</u>	<u>1,741,009</u>
Loans and borrowings	<u>1,526,735</u>	<u>984,505</u>	<u>1,428,960</u>	<u>672,656</u>	<u>174,048</u>	<u>164,134</u>	<u>3,129,743</u>	<u>1,821,295</u>
Total liabilities							<u>4,495,059</u>	<u>3,562,304</u>
Other segment information								
Capital expenditure	<u>1,954</u>	<u>955</u>	<u>19</u>	<u>21</u>	<u>453</u>	<u>1,409</u>	<u>2,426</u>	<u>2,385</u>
Depreciation of property, plant and equipment	<u>1,590</u>	<u>1,699</u>	<u>136</u>	<u>99</u>	<u>915</u>	<u>936</u>	<u>2,641</u>	<u>2,734</u>
Amortisation of intangible assets	<u>79</u>	<u>84</u>	<u>3</u>	<u>3</u>	<u>419</u>	<u>-</u>	<u>501</u>	<u>87</u>

Geographical segment

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following table presents revenue, capital expenditure and certain assets information regarding the Group's geographical segments as at and for the six months period ended 30 June 2016 and 30 June 2015.

	PRC <i>RMB'000</i>	Singapore <i>RMB'000</i>	Other Countries <i>RMB'000</i>	Total <i>RMB'000</i>
30 June 2016				
Revenue	388,099	19,256	3,501	410,856
Total assets	5,547,259	297,864	37,184	5,882,307
Capital expenditure	2,235	176	15	2,426
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
30 June 2015				
Revenue	524,047	16,102	14,301	554,450
Total assets	4,489,940	246,902	42,850	4,779,692
Capital expenditure	993	622	770	2,385
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. OTHER INCOME

	GROUP	
	1H2016 <i>RMB'000</i> (unaudited)	1H2015 <i>RMB'000</i> (unaudited)
Gain on disposal of asset held for sale	–	5,710
Net gain on disposal of financial assets available-for- – sale reclassified from equity	–	563
Change in fair value of investment properties	–	13,547
Change in fair value of other financial assets	–	132
Commission income	–	175
Government grants	50	500
Rental income	614	23
Compensation income – withdrawal of a joint development project	30,600	–
Gain on disposal of quoted equity investment	233	–
Others	674	2,149
	<u> </u>	<u> </u>
	32,171	22,799
	<u> </u>	<u> </u>

5. FINANCE INCOME/(COSTS), NET

	GROUP	
	1H2016	1H2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income	23,876	13,959
Loan interest expenses	(107,807)	(72,436)
Bank charges and others	(2,315)	(4,758)
	<u> </u>	<u> </u>
Finance expenses, net	(86,246)	(63,235)
Finance costs capitalised in development properties	91,376	33,748
Finance costs capitalised in housing construction	–	25,653
	<u> </u>	<u> </u>
Net finance income/(costs) recognised in profit or loss	<u>5,130</u>	<u>(3,834)</u>

6. TAXATION

	GROUP	
	1H2016	1H2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax expense		
– Current period	(32,165)	(19,286)
– Overprovision in respect of prior years	–	1,887
	<u> </u>	<u> </u>
	<u>(32,165)</u>	<u>(17,399)</u>
Deferred tax expense		
– Origination and reversal of temporary differences	(795)	(8,704)
– Withholding tax on the profits of the Group's PRC subsidiaries	(5,394)	(5,084)
	<u> </u>	<u> </u>
	<u>(6,189)</u>	<u>(13,788)</u>
Land appreciation tax expense		
– Land appreciation tax	(10,156)	(15,240)
– Overprovision in respect of prior years	–	13,721
	<u> </u>	<u> </u>
	<u>(10,156)</u>	<u>(1,519)</u>
Taxation	<u>(48,510)</u>	<u>(32,706)</u>

Singapore and PRC income tax liabilities are calculated at the applicable rates in accordance with the relevant tax laws and regulations in Singapore and the PRC.

Pursuant to a PRC Enterprise Income Tax Law promulgated on 16 March 2007, the enterprise income tax for both domestic and foreign-invested enterprises has been unified at 25% effective from 1 January 2008.

According to the Implementation Rules of the Corporate Income tax Law of PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to 1 January 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognised for the dividends that have been declared, and deferred tax liability is recognised for those to be declared in the foreseeable future.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following:

	GROUP			GROUP		
	2Q2016 RMB'000 (unaudited)	2Q2015 RMB'000 (unaudited)	% change +/(-) %	1H2016 RMB'000 (unaudited)	1H2015 RMB'000 (unaudited)	% change +/(-) %
Amortisation of intangible assets	252	45	460%	501	87	476%
Depreciation of property, plant and equipment	1,667	1,446	15%	2,641	2,734	-3%
Interest income	(14,810)	(12,786)	16%	(23,876)	(13,959)	71%
Finance costs	7,882	13,040	-40%	18,747	17,792	5%
Gain on disposal of quoted equity investments	(233)	-	100%	(233)	-	100%
Loss on disposal of club membership	-	-	n.m	-	7	100%
Fair value loss/(gain) on quoted investments	621	(132)	n.m	710	(132)	-638%
Property, plant and equipment written off	-	5	100%	-	-	n.m
Gain on disposal of property, plant and equipment	-	(374)	-100%	-	(400)	-100%
Net gain on disposal of financial asset						
available-for-sale reclassified from equity	-	-	n.m	-	(563)	-100%
Gain on disposal of assets classified as held for sale	-	(5,710)	-100%	-	(5,710)	-100%
Overprovision of land appreciation tax expense						
in respect of prior years	-	(13,721)	-100%	-	(13,721)	100%
Overprovision of company tax expense						
in respect of prior years	-	(1,887)	-100%	-	(1,887)	-100%
Listing expenses	10,300	-	100%	16,342	-	100%
Net change in fair value of investment properties and investment properties under development	-	(13,547)	-100%	-	(13,547)	-100%

Note:

n.m: Not meaningful

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group spent approximately RMB2.4 million (1H2015: RMB1.8 million) on the acquisition of property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

Trade receivables of the Group are non-interest bearing and are normally settled on 30 to 180 days (2015: 30 to 180 days). They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The ageing of trade receivables at the reporting date is as follows:

	Gross	Impairment	Gross	Impairment
	30 June	losses	31 December	losses
	2016	30 June	2015	31 December
	RMB'000	2016	RMB'000	2015
	(unaudited)	(unaudited)	(audited)	(audited)
Group				
Neither past due nor impaired	121,688	–	125,680	–
Past due 1 – 30 days	26,171	–	9,549	–
Past due 31 – 60 days	5,308	–	1,658	–
Past due 61 – 90 days	858	–	736	–
Past due more than 90 days	4,677	–	4,172	–
	<u>158,702</u>	<u>–</u>	<u>141,795</u>	<u>–</u>

Trade receivables that are not past due and not impaired

As at 30 June 2016, included in the trade receivables attributed to the Group's development property operations are amounts of RMB30,177,000 and RMB44,209,000 (2015: RMB53,577,000 and RMB64,716,000) arising from instalment sales and sales pending release of financing by banks, respectively, that were not past due and not impaired.

The trade receivables arising from instalment sales are due between periods ranging from three months to twelve months from the reporting date.

As at 30 June 2016, included in receivables neither past due nor impaired is an amount of RMB8,099,000 (2015: RMB8,310,000) from a buyer where the repayment date has been further extended to 30 September 2016 (2015: repayment date extended till 30 September 2016) as agreed between both parties.

Trade receivables that are past due but not impaired

As at 30 June 2016, the Group had trade receivables amounting to RMB37,014,000 (2015: RMB16,115,000) that were past due but not impaired. Included in these trade receivables are amounts of RMB28,644,000 and RMB8,370,000 (2015: RMB14,088,000 and RMB2,027,000) attributed primarily to the clean room and air diffusion products operations, and development properties operations, respectively.

The Group's historical experience in the collection of trade receivables falls within the recorded allowances. Management believes that no additional allowance beyond the amount provided for is required in respect of the trade receivables.

There is no impairment loss at beginning of year till 30 June 2016 (2015: Nil) in respect of trade receivables.

10. TRADE AND OTHER PAYABLES

Trade payables primarily comprise construction costs payable to third parties.

Ageing profile

The ageing profile of trade payables of the Group at the reporting date is as follows:

	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
Not past due	342,982	390,182
Past due 1 – 30 days	16,140	18,034
Past due 31 – 60 days	7,679	963
Past due 61 – 90 days	13,404	15,625
Past due more than 90 days	16,232	9,822
	396,437	434,626

11. SHARE CAPITAL

	Group Share Capital RMB'000	Company No of shares issued	Share Capital RMB'000
Issued and fully paid: As at 1 January and 30 June 2016	359,700	196,133,152	1,737,554

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

At 30 June 2016, there were no share options issued by the Company.

12. LOANS AND BORROWINGS AND FINANCE LEASE LIABILITIES

	As at 30 June 2016		As at 31 December 2015	
	Secured RMB'000 (unaudited)	Unsecured RMB'000 (unaudited)	Secured RMB'000 (audited)	Unsecured RMB'000 (audited)
Amount repayable in one year or less, or on demand	860,262	113	755,292	110
	2,269,289	79	1,499,391	124

Details of any collateral

The bank borrowings for the Group include banker's acceptance, finance lease liabilities and bank loans of its subsidiaries. The bank borrowings, excluding of finance lease liabilities, are secured by:

- (i) Legal mortgage of the assets of subsidiaries and property development units; and
- (ii) Corporate guarantee from the Company.

13. DIVIDEND

The Board did not declare or recommend interim dividend for the six months ended 30 June 2016 (2015: S\$ nil).

14. EARNINGS PER SHARE

	GROUP		GROUP	
	2Q 2016	2Q 2015 Restated	1H 2016	1H 2015 Restated
Profit attributable to owners of the Company (RMB'000)	19,547	29,085	28,026	34,656
Weighted average number of ordinary shares in issue (in thousands)	196,133	196,133	196,133	196,133
Earning per ordinary share:				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	9.97	14.83	14.29	17.67
(ii) On a fully diluted basis (RMB cents)	9.97	14.83	14.29	17.67

Restated* – Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue of 196,133,152 (after share consolidation exercise on 8 December 2015).

Diluted earnings per ordinary share is calculated on the same basis as basic earnings per ordinary share as there were no potential dilutive ordinary shares as at 30 June 2016 and 30 June 2015.

15. NET ASSET VALUE

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer is as follows:–

	GROUP		COMPANY	
	30 June 2016 (unaudited)	31 December 2015 Restated (audited)	30 June 2016 (unaudited)	31 December 2015 Restated (audited)
Net assets attributable to owners of the Company (RMB'000)	1,187,792	1,140,023	1,652,552	1,667,665
Number of ordinary shares (in thousands)	196,133	196,133	196,133	196,133
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year (RMB)	<u>6.06</u>	<u>5.81</u>	<u>8.43</u>	<u>8.50</u>

16. CAPITAL COMMITMENT

Capital commitment contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	GROUP	
	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
(i) Capital injection in respect of the Group's 30% equity interest in Shenzhen Longda	<u>265,000</u>	<u>265,000</u>
(ii) Development expenditures authorised and contracted for	<u>354,574</u>	<u>423,733</u>

17. CONTINGENT LIABILITIES

At the respective reporting dates, the contingent liabilities of the Group were as follows:

	GROUP	
	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
Guarantees given to banks in connection with banking facilities granted to third parties	<u>967,466</u>	<u>840,869</u>

The Group arranges with various domestic banks in the PRC to provide loan and mortgage facilities to purchasers of its properties prior to the transfer of land title deeds. In line with the consumer banking practices in the PRC, these banks require the Group to provide guarantees in respect of these loans including the principal, interest and other incidental costs. The Group is required to maintain certain amounts of cash in designated bank accounts which are pledged to the banks. If a purchaser defaults on a loan, the relevant mortgagee bank is entitled to deduct the amount repayable from the restricted cash account.

These guarantees provided by the Group to the banks would be released by the banks upon the receipt of the building ownership certificate of the respective properties by the bank from the customers when it is issued by the relevant authorities.

18. GEARING RATIO

	GROUP	
	30 June 2016	31 December 2015
	<i>RMB'000</i>	<i>RMB'000</i>
Loans and borrowings	3,129,743	2,254,917
Less: Cash and cash equivalents	(1,256,980)	(883,610)
Net debt	1,872,763	1,371,307
Equity attributable to owners of the Company	1,187,792	1,140,023
Gearing ratio	158%	120%

19. SHARE OPTIONS

As at 30 June 2016, Company does not have any employee share option scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

	2Q2016	GROUP 2Q2015	% change	1H2016	GROUP 1H2015	% change
	<i>RMB'000</i>	<i>RMB'000</i>	+/(-)	<i>RMB'000</i>	<i>RMB'000</i>	+/(-)
Property Development						
Sales	267,181	243,518	10%	363,873	447,292	-19%
Cost of sales	<u>(194,477)</u>	<u>(188,977)</u>	3%	<u>(241,130)</u>	<u>(339,589)</u>	-29%
Gross profit	<u>72,704</u>	<u>54,541</u>		<u>122,743</u>	<u>107,703</u>	
Gross Profit Margin	27%	22%		34%	24%	
Housing Construction						
Sales	-	47,187	-100%	182	76,750	-100%
Cost of sales	<u>(57)</u>	<u>(45,593)</u>	-100%	<u>(407)</u>	<u>(73,918)</u>	-99%
Gross profit	<u>(57)</u>	<u>1,594</u>		<u>(225)</u>	<u>2,832</u>	
Gross Profit Margin	n.m	3%		-124%	4%	
Equipment Manufacturing						
Sales	28,010	19,453	44%	46,801	30,408	54%
Cost of sales	<u>(15,772)</u>	<u>(12,327)</u>	28%	<u>(28,774)</u>	<u>(19,945)</u>	44%
Gross profit	<u>12,238</u>	<u>7,126</u>		<u>18,027</u>	<u>10,463</u>	
Gross Profit Margin	44%	37%		39%	34%	

Revenue and Gross Profit Margin (“GP Margin”)

Property development business

2Q2016 property development sales increased by 10% to approximately RMB267.2 million from the same period of last year. The higher sales in this quarter were contributed mainly from higher total net saleable floor area (“NSFA”) handed over to customers of approximately 44,810.1 sqm (2Q2015: 38,656.0 sqm). 1H2016 property development sales was lower as compared to same period of last year due mainly to lower total NSFA handed over to customers during 1Q2016. Overall, total NSFA handed over to customers for 1H2016 was approximately 56,126.3 sqm (1H2015: 74,688.0 sqm).

Revenue from property development sales for 1H2016 was mainly from the following projects, namely Weiye Central Park Phase II, III & IV, Weiye Tiandao International and Weiye Oxygen Cube A Phase I & II, which contributed approximately RMB199.7 million, RMB104.9 million and RMB26.2 million, respectively.

The GP margin of property development business for 1H2016 was 10% higher than 1H2015 mainly due to higher sales of commercial units from Weiye Tiandao International which fetched higher gross profit margin in 2Q2016 and higher sales of parking lots from Weiye Central Park Phase III & IV in 1Q2016, where the cost of the construction has been apportioned according to the total NSFA.

Housing construction business

As part of the Henan local government's urbanisation plan, the Group was contracted by the former to build resettlement houses. As of 31 December 2014, the construction of the resettlement houses phase I has been completed in accordance with the construction agreement. Revenue recognised for 1H2016 and 1H2015 was mainly from construction of additional ancillary facilities as requested by the local government.

The GP margin of housing construction business for 1H2016 was 120% lower than 1H2015 mainly due to certain construction ancillary costs incurred during the period under review that were not claimable from the Henan local government.

Equipment business

The sales of equipment comprised mainly sales of clean room equipment, air purifier, grilles, diffuser and marine damper products. Sales in 2Q2016 and 1H2016 was 44% and 54% higher respectively as compared to the same period of last year mainly due to sales of new product – Air Purifier “AiJiaBao” in the quarter under review.

The GP margin for equipment business for 2Q2016 and 1H2016 was 7% and 5% higher respectively as compared with the same period of last year due mainly to sales of AiJiaBao products which fetched higher gross profit margin.

Other income

Other income for 1H2016 comprised mainly the compensation for which an intended joint development project was agreed to be withdrawn in 2Q2016 of approximately RMB30.6 million.

Selling and distribution expenses

The higher selling and distribution expenses for 1H2016 was mainly due to more promotional activities for the upcoming project namely LongHuShangCheng and more agent commission incurred for sales of development properties of Weiye Central Park Phase III & IV in 2Q2016.

Administrative expenses

Administrative expenses for 1H2016 was higher as compared to the same period of last year mainly due to recognition of the remaining listing expenses in relation to the Company's dual primary listing on the Hong Kong Stock Exchange of approximately RMB16.3 million and higher travelling and office administrative expenses during the period under review.

Finance expenses

Total finance expense for 2Q2016 was lower than 2Q2015 due to higher interest cost being capitalised into development projects during the period under review. Net finance income was reported in 2Q2016 and 1H2016 mainly due to higher deposit interest income earned in 1H2016 and interest income arising from a refunded investment deposit for which an intended joint development project was agreed to be withdrawn in 2Q2016.

Share of loss of investment in joint venture

Share of loss of investment in joint venture was mainly due to the share of loss in the operation of Daimashi Shiye Co., Ltd ("Daimashi"). Daimashi has commenced business in 2Q2015.

Taxation

The increase in taxation for 1H2016 was mainly due to higher provision of corporate income tax of approximately RMB14.8 million as a result of higher net profit before tax during the period under review and higher provision of land appreciation tax of approximately RMB8.6 million as a result of reversal of prior years' overprovision of land appreciation tax in 1H2015. This was partially offset by lower deferred tax expense of approximately RMB7.6 million.

LIQUIDITY AND FINANCIAL RESOURCES

Review of Financial Position

Investment in joint venture refers to a joint venture between the Group and Zhengzhou Century CITIC Real Estate Co., Ltd whereby both the Group and Zhengzhou Century CITIC Real Estate Co., Ltd intend to develop the land held by Daimashi SHIYE Co Ltd "Daimashi". The decrease was mainly due to the sharing of the loss incurred by the joint venture during the period under review. To date, Daimashi project is still under construction and has yet to recognise any sales.

The decrease in amount due from non-controlling interests was mainly due to repayment received from non-controlling interests.

The increase in the amount due from joint venture partner was mainly due to the interest accrued during the period under review.

The increase in properties held for sale and development of approximately RMB61.0 million was mainly due to progressive completion of property development projects in the period under review such as Weiye Xinxiang Central Park Phase V, partially offset by the sales of property development projects, such as Weiye Xinxiang Central Park Phase II, III&IV, Weiye Tiandao International and Weiye Oxygen Cube A Phase I & II.

The increase in trade and other receivables of approximately RMB422.5 million was mainly due to increase in pre-development costs of approximately RMB196.3 million on a plot of land that the Group had on 3 March 2016 obtained from the local government in Zhengzhou City, PRC. These costs were incurred for the demolition of existing buildings within the vicinity and resettlement of the residents, and would be reclassified to properties held for sale upon the issuance of construction permit that was expected by second half of 2016. Besides, the prepayment made to local authority of approximately RMB75.6 million relating to resettlement transition fee of resettlement housing construction Phase II and receivable of RMB30.6 million in relation to a compensation for which an intended joint development project was agreed to be withdrawn in 2Q2016, also cause the increase in trade and other receivables.

Other financial assets represent quoted equity investments held as at 30 June 2016.

The decrease in trade and other payables was mainly due to repayment of loan from third party of approximately RMB215.0 million and repayment to trade creditor due to completion of project such as Weiye Tiandao International.

The decrease in advance receipts from sale of properties was mainly due to the recognition of sales from Weiye Central Park Phase IV and Weiye Tiandao International during the period under review.

The amount due to joint venture represent cash advances from Daimashi Shiye Co., Ltd which is unsecured and non-interest bearing.

The increase in loans and borrowings was mainly due to additional long term loans obtained to finance the development of property projects.

The decrease in tax payables was mainly due to repayment of income tax in the period under review.

The increase in the deferred tax liabilities was mainly due to the provision of deferred tax liability relating to the withholding tax on undistributed profits of approximately RMB6.1 million and other temporary timing of tax differences.

Cash flow statement

Cash flows from operating activities before changes in working capital amounted to approximately RMB112.6 million. Cash used in working capital amounted to approximately RMB530.6 million mainly due to increase in trade and other receivables of approximately RMB305.4 million, decrease in trade and other payables of approximately RMB192.6 million and increase in properties held for sales of approximately RMB30.8 million. After changes in working capital and payment for various taxes of approximately RMB42.7 million, net cash flow used in operating activities amounted to approximately RMB460.7 million.

Net cash from investing activities amounted to approximately RMB97.3 million mainly due to repayment from non-controlling interest of approximately RMB90.7 million and interest received of approximately RMB14.0 million, partially offset by the net purchase of quoted investments of approximately RMB4.0 million.

Net cash from financing activities amounted to approximately RMB870.2 million mainly due to proceeds from bank borrowings of approximately RMB1.4 billion and decrease in restricted cash of approximately RMB130.7 million, partly offset by interest payment of approximately RMB110.1 million and repayment of bank borrowings of approximately RMB489.9 million.

PROSPECTS (A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS)

China recorded a 6.7% year-on-year (“y-o-y”) gross domestic product (“GDP”) growth in first half of year 2016, with a real domestic disposable income growth of 6.5% y-o-y. Total investments in China property market increase by 6.1% y-o-y (excluding price factor the increase was 8.0%). The growth was driven by the rebound in sales of commercial property market. Overall, China economic growth in first half of the year 2016 remains steady, with stable economy index consistent with expectation and the new normal expansion mode.

Henan province, being the Group’s primary market, recorded a GDP growth of 8.0% in first half of year 2016, being 0.2% higher as compared to last year. Its total real estate investment grew 18.3% y-o-y (excluding price factor the increase was 22.7%), in which investment in residential houses increased by 20.6%. Meanwhile, Hainan province, another region where the Group operates, recorded a GDP growth of 8.1% in first half of year 2016, with a total real estate investment growth of 10.1% y-o-y. The growth of the economies in both provinces had outperformed the national average, with the property sectors in both provinces demonstrating stable growth. Therefore, the Group remains optimistic of its property development business.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, there were 405 (2015: 393) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for six months period ended 30 June 2016 were approximately RMB35.0 million (1H2015: RMB34.7 million). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and Group's results of operations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, redemption or sale of listed securities of the Company in the six months ended 30 June 2016.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, there was no material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2016.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors as at the date of this statement, who are:

Ong Kian Guan (Chairman)
Oh Eng Bin
Siu Man Ho Simon

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2016, and the effectiveness of the risk management and internal control systems of the Company and considers they are effective and adequate.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Code of Corporate Governance 2012 (the "Code") and the applicable code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Appendix 14 to the Rules (the "Hong Kong Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK") to provide the structure through which the objectives of protection of shareholders' interest and enhancement of long term shareholders' value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout the six months ended 30 June 2016, the Group has complied with the Code and the HK CG Code, except those appropriately justified and disclosed.

COMPLIANCE WITH LISTING MANUAL AND HONG KONG MODEL CODE

In compliance with Rules 1207(19) of the Listing Manual (the “Listing Manual”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Hong Kong Listing Rules, the Company has adopted its own internal compliance code pursuant to the SGX-ST’s and the Model Code’s best practices on dealings in securities and these are applicable to all its Officers in relation to their dealings in the Company’s securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2016.

The Company and its Officers are not allowed to deal in the Company’s shares during the period commencing 30 days immediately before the announcement of the Company’s quarterly results and 60 days immediately before the announcement of the Company’s full year results, and ending on the date of the announcement of the relevant results.

The Directors, Management and executives of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company’s securities on short-term considerations.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The results have not been audited or reviewed by the auditors of the Company.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED, THE COMPANY AND SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the “HKEx”) at www.hkexnews.hk, the website of the Company at www.weiyeholdings.com and the website of the SGX-ST at www.sgx.com. The interim report of the Company for the six months ended 30 June 2016 will be despatched to the Shareholders and published on the respective websites of the HKEx, SGX-ST and the Company in due course.

SUPPLEMENTARY INFORMATION

1. Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, any variance between it and the actual results

Not applicable. No prospect statement was previously disclosed in the 1st quarter result announcement for the financial period ended March 31, 2016.

- 2. If the Group has obtained a general mandate from Shareholders for interest person transactions (the “IPTs”), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect**

No general mandate has been obtained from its Shareholders for IPTs.

- 3. Negative assurance confirmation on interim financial results under Rule 705(5) of the Listing Manual of SGX-ST**

On behalf of the Board, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board which may render the Group’s unaudited interim financial results for the six months ended 30 June 2016 to be false or misleading in any material aspect.

- 4. Undertakings from the Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST**

On behalf of the Board, we confirm that we have procured all the required undertakings to comply with SGX-ST’s listing rules from all the Directors and executive officers of the Company.

By order of the Board
Weiye Holdings Limited

Zhang Wei
Executive Chairman
Hong Kong, 12 August 2016

Chen Zhi Yong
Executive Director
Hong Kong, 12 August 2016

As at the date of this announcement, the executive Directors are Zhang Wei and Chen Zhiyong; the non-executive Director is Dong Xincheng; and the independent non-executive Directors are Ong Kian Guan, Oh Eng Bin and Siu Man Ho Simon.