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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 FULL YEAR FINANCIAL RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016**

**FINANCIAL RESULTS**

The Board (the “Board”) of Directors (the “Director(s)”) of Weiye Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the twelve months ended December 31, 2016, together with the relevant comparative figures as follows:

## CONSOLIDATED INCOME STATEMENT

	Note	GROUP			GROUP		
		4Q2016 RMB'000	4Q2015 RMB'000	% change +/(-)	FY2016 RMB'000	FY2015 RMB'000	% change +/(-)
<b>Revenue</b>							
- Development properties	3	137,999	387,634	-64%	681,652	1,044,480	-35%
- Housing construction		-	16,907	-100%	182	113,287	-100%
- Equipment manufacturing		16,054	27,312	-41%	59,587	76,924	-23%
		<u>154,053</u>	<u>431,853</u>		<u>741,421</u>	<u>1,234,691</u>	
<b>Cost of sales</b>							
- Development properties		(124,538)	(255,612)	-51%	(489,806)	(752,099)	-35%
- Housing construction		-	(14,653)	-100%	(434)	(110,009)	-100%
- Equipment manufacturing		(9,979)	(15,420)	-35%	(38,775)	(46,380)	-16%
		<u>(134,517)</u>	<u>(285,685)</u>		<u>(529,015)</u>	<u>(908,488)</u>	
<b>Gross profit</b>		<u>19,536</u>	<u>146,168</u>	-87%	<u>212,406</u>	<u>326,203</u>	-35%
Other income	4	15,130	21,855	-31%	48,884	45,764	7%
Selling and distribution expenses		(12,673)	(15,978)	-21%	(40,174)	(36,868)	9%
Administrative expenses		(36,528)	(41,294)	-12%	(130,015)	(108,646)	20%
Other operating expenses		(409)	2,056	n.m	(1,582)	(2,560)	-38%
<b>Results from operations</b>		<u>(14,944)</u>	<u>112,807</u>		<u>89,519</u>	<u>223,893</u>	
Net finance (expenses)/income	5	(4,843)	(7,491)	-35%	9,440	(5,445)	-273%
Share of profit/(loss) of equity-accounted investees		52,026	(1,220)	n.m	46,106	(7,424)	n.m
<b>Profit before taxation</b>		<u>32,239</u>	<u>104,096</u>		<u>145,065</u>	<u>211,024</u>	
Taxation	6	(113)	(52,954)	-100%	(65,993)	(104,432)	-37%
<b>Profit for the period/year</b>	7	<u>32,126</u>	<u>51,142</u>		<u>79,072</u>	<u>106,592</u>	
<b>Profit attributable to:</b>							
Owners of the Company		35,159	46,940		65,349	94,118	
Non-controlling interests		(3,033)	4,202		13,723	12,474	
		<u>32,126</u>	<u>51,142</u>		<u>79,072</u>	<u>106,592</u>	

Note:

n.m: Not meaningful

# **CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	GROUP			GROUP		
	4Q2016	4Q2015	% change	FY2016	FY2015	% change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Profit for the period/year</b>	32,126	51,142		79,072	106,592	
<b>Other comprehensive income/(loss)</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences - foreign operations	1,573	(2,296)	n.m	(4,029)	(852)	373%
Net change in fair value of financial assets available-for-sale	-	-	-	-	28	-100%
Net change in fair value of financial assets available-for-sale reclassified to profit or loss	-	-	-	-	(563)	100%
<b>Total other comprehensive income/(loss) for the period/year, net of tax</b>	1,573	(2,296)		(4,029)	(1,387)	
<b>Total comprehensive income for the period/year</b>	33,699	48,846		75,043	105,205	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	36,732	44,644		61,320	92,731	
Non-controlling interests	(3,033)	4,202		13,723	12,474	
	33,699	48,846		75,043	105,205	

## Note:

n.m: Not meaningful

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	57,068	43,850	5	14
Investments in subsidiaries	-	-	1,669,975	1,669,975
Investment in joint venture	288,682	132,576	-	-
Investment properties	483,000	331,000	-	-
Investment properties - under development	-	55,000	-	-
Amount due from non-controlling interests (non-trade)	99,160	99,160	-	-
Amount due from a joint venture partner (non-trade)	117,876	105,440	-	-
Trade and other receivables	-	35,000	-	-
Intangible assets	3,421	2,725	-	-
Club memberships	418	400	418	400
Deferred tax assets	19,233	17,654	-	-
	1,068,858	822,805	1,670,398	1,670,389
<b>Current assets</b>				
Properties held for sale and development	2,545,693	1,082,606	-	-
Inventories	17,238	10,997	-	-
Trade and other receivables	1,438,780	2,128,182	144	61
Amount due from a joint venture partner (non-trade)	20,226	18,498	-	-
Amount due from joint venture (non-trade)	-	27,263	-	-
Amount due from subsidiaries (non-trade)	-	-	21,329	23,131
Prepaid tax	34,358	5,901	-	66
Other financial assets	2,320	-	-	-
Cash and cash equivalents	1,083,179	883,610	1,360	10,406
Assets classified as held for sale	-	150,000	-	-
	5,141,794	4,307,057	22,833	33,664
<b>Current liabilities</b>				
Trade and other payables	494,668	795,755	1,456	2,167
Advance receipts from sale of properties	519,418	343,786	-	-
Amount due to joint venture (non-trade)	281,000	-	-	-
Amount due to subsidiaries (non-trade)	-	-	43,355	34,221
Loans and borrowings	1,851,202	755,292	-	-
Finance lease liabilities	111	110	-	-
Income tax payable	210,422	235,223	-	-
	3,356,821	2,130,166	44,811	36,388
<b>Net current assets/(liabilities)</b>	1,784,973	2,176,891	(21,978)	(2,724)
<b>Non-current liabilities</b>				
Finance lease liabilities	19	124	-	-
Loans and borrowings	1,232,588	1,499,391	-	-
Deferred tax liabilities	242,059	221,889	-	-
	1,474,666	1,721,404	-	-
<b>Net assets</b>	1,379,165	1,278,292	1,648,420	1,667,665
<b>Equity</b>				
Share capital	359,700	359,700	1,737,554	1,737,554
Reserves	867,473	780,323	(89,134)	(69,889)
<b>Equity attributable to owners of the Company</b>	1,227,173	1,140,023	1,648,420	1,667,665
Non-controlling interests	151,992	138,269	-	-
<b>Total equity</b>	1,379,165	1,278,292	1,648,420	1,667,665

## CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	4Q2016	4Q2015	FY2016	FY2015
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities:</b>				
Profit before taxation	32,239	104,096	145,065	211,024
Adjustments for:				
Amortisation of intangible assets	209	41	1,150	171
Allowance for impairment loss on club membership	-	20	-	20
Gain on disposal of investment property	-	(2,209)	-	(2,209)
Depreciation of property, plant and equipment	1,690	2,497	5,202	6,516
Interest income	(9,977)	(9,063)	(50,248)	(42,974)
Finance expense	14,820	16,554	40,808	48,418
Gain on disposal of quoted equity investments	(710)	(28)	(1,032)	(28)
Property, plant and equipment written off	-	14	-	14
(Gain)/Loss on disposal of property, plant and equipment	-	(7,803)	73	(8,203)
Loss on disposal of club membership	-	-	-	20
Gain on disposal of assets classified as held for sale	-	-	-	(5,710)
Net gain on disposal of financial asset available-for-sale reclassified from equity	-	-	-	(563)
Fair value loss/(gain) on quoted investments	1,205	(909)	495	756
Share of (profit)/loss of equity-accounted investees	(52,026)	1,220	(46,106)	7,424
Net change in fair value of investment properties	(11,700)	(8,577)	(11,700)	(22,124)
Listing expenses	-	13,059	16,342	13,059
Effects of exchange rate changes	1,525	(6,069)	1,567	410
<b>Cash flows from operating activities before working capital changes</b>	<b>(22,725)</b>	<b>102,843</b>	<b>101,616</b>	<b>206,021</b>
(Increase)/Decrease in properties held for sale and development	(950,304)	114,085	(1,239,285)	230,326
(Increase)/Decrease in inventories	(682)	(77)	(6,241)	1,545
Decrease/(Increase) in trade and other receivables	783,080	(261,061)	768,607	(482,228)
(Decrease)/Increase in trade and other payables	(94,626)	(416,775)	155,545	(38,795)
<b>Cash flows used in operations</b>	<b>(285,257)</b>	<b>(460,985)</b>	<b>(219,758)</b>	<b>(83,131)</b>
Income tax paid	(35,149)	(3,966)	(100,660)	(55,960)
<b>Net cash flows used in operating activities</b>	<b>(320,406)</b>	<b>(464,951)</b>	<b>(320,418)</b>	<b>(139,091)</b>
<b>Cash flows from investing activities:</b>				
Proceeds from disposal of assets classified as held for sale	-	-	-	23,775
Purchase of property, plant and equipment	(15,123)	(2,136)	(17,637)	(4,777)
Proceeds from disposal of property, plant and equipment	-	2,213	-	2,240
Interest received	1,214	19,218	9,962	38,099
Expenditure on intangible assets	(366)	(784)	(1,684)	(1,574)
Purchase of quoted equity investment	(16,935)	-	(44,208)	(5,194)
Subsequent construction costs on investment properties	(15,300)	-	(45,300)	-
Proceed from disposal of quoted equity investment	14,145	-	42,425	-
Proceeds from disposal of financial assets available-for-sale	-	5,918	-	12,989
Proceed from disposal of investment property	-	41,909	-	41,909
Deposit (paid to)/refunded from third party	35,000	(35,000)	35,000	(35,000)
<b>Net cash flows from/(used in) investing activities</b>	<b>2,635</b>	<b>31,338</b>	<b>(21,442)</b>	<b>72,467</b>
<b>Cash flows from financing activities:</b>				
Decrease in amount due to directors (non-trade)	-	-	-	(40,000)
Decrease/(Increase) in restricted cash	143,574	17,952	274,488	(357,017)
Repayment of finance leases	(111)	(14)	(422)	(83)
Interest paid	(106,391)	(47,825)	(264,624)	(198,767)
Repayment of bank borrowings	(746,884)	(99,072)	(1,463,793)	(854,781)
Payment of listing expenses	-	(10,820)	(16,342)	(10,820)
Proceeds from bank borrowings	883,884	260,000	2,288,372	1,458,900
<b>Net cash flows from/(used in) financing activities</b>	<b>174,072</b>	<b>120,221</b>	<b>817,679</b>	<b>(2,568)</b>
Net (decrease)/increase in cash and cash equivalents	(143,699)	(313,392)	475,819	(69,192)
Cash and cash equivalents at the beginning of financial period/year	926,765	618,473	305,595	375,186
Effects of exchange rate changes on opening balances of cash and cash equivalents	(460)	514	1,192	(399)
<b>Cash and cash equivalents in cash flow statement</b>	<b>782,606</b>	<b>305,595</b>	<b>782,606</b>	<b>305,595</b>
<b>Additional information:</b>				
Cash and cash equivalents	1,083,179	883,610	1,083,179	883,610
Less: restricted cash	(300,573)	(575,061)	(300,573)	(575,061)
Less: bank overdrafts	-	(2,954)	-	(2,954)
<b>Total cash and cash equivalents in cash flow statement</b>	<b>782,606</b>	<b>305,595</b>	<b>782,606</b>	<b>305,595</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Fair value reserve	Statutory and other reserve	Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	359,700	(59,669)	(550)	(11,383)	535	64,814	693,845	1,047,292	125,795	1,173,087
<b>Total comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	94,118	94,118	12,474	106,592
<b>Other comprehensive income/(loss)</b>										
Foreign currency translation differences – foreign operations	-	-	-	(852)	-	-	-	(852)	-	(852)
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)
<b>Total other comprehensive income/(loss)</b>	-	-	-	(852)	(535)	-	-	(1,387)	-	(1,387)
Total comprehensive income/(loss) for the year	-	-	-	(852)	(535)	-	94,118	92,731	12,474	105,205
<b>Contributions by and distributions to owners</b>										
Transfer to statutory reserves	-	-	-	-	-	15,813	(15,813)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	15,813	(15,813)	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	15,813	(15,813)	-	-	-
At 31 December 2015	359,700	(59,669)	(550)	(12,235)	-	80,627	772,150	1,140,023	138,269	1,278,292
<b>Total comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	65,349	65,349	13,723	79,072
<b>Other comprehensive loss</b>										
Foreign currency translation differences – foreign operations	-	-	-	(4,029)	-	-	-	(4,029)	-	(4,029)
<b>Total other comprehensive loss</b>	-	-	-	(4,029)	-	-	-	(4,029)	-	(4,029)
Total comprehensive income/(loss) for the year	-	-	-	(4,029)	-	-	65,349	61,320	13,723	75,043
<b>Contributions by and distributions to owners</b>										
Transfer to statutory reserves	-	-	-	-	-	10,373	(10,373)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	10,373	(10,373)	-	-	-
<b>Changes in ownership interests in subsidiary</b>										
Issuance of share to non-controlling interest	-	-	-	-	-	25,830	-	25,830	-	25,830
<b>Total changes in ownership interests in subsidiary</b>	-	-	-	-	-	25,830	-	25,830	-	25,830
<b>Total transactions with owners</b>	-	-	-	-	-	36,203	(10,373)	25,830	-	25,830
At 31 December 2016	359,700	(59,669)	(550)	(16,264)	-	116,830	827,126	1,227,173	151,992	1,379,165

Company	<-----Attributable to owners of the Company----->					Total equity RMB'000
	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	
<b>Balance as at 1 January 2015</b>	1,737,554	(80,028)	8,479	582	48	1,666,635
<b>Total comprehensive profit/(loss) for the year</b>						
Profit for the year	-	2,295	-	-	-	2,295
Other comprehensive loss						
Foreign currency translation differences – foreign operations	-	-	(1,265)	-	-	(1,265)
Total other comprehensive loss	-	-	(1,265)	-	-	(1,265)
Total comprehensive loss	-	2,295	(1,265)	-	-	1,030
<b>Balance as at 31 December 2015</b>	1,737,554	(77,733)	7,214	582	48	1,667,665
<b>Total comprehensive loss for the year</b>						
Loss for the year	-	(18,898)	-	-	-	(18,898)
Other comprehensive loss						
Foreign currency translation differences – foreign operations	-	-	(347)	-	-	(347)
Total other comprehensive loss	-	-	(347)	-	-	(347)
Total comprehensive loss	-	(18,898)	(347)	-	-	(19,245)
<b>Balance as at 31 December 2016</b>	1,737,554	(96,631)	6,867	582	48	1,648,420

## 1. General information

Weiye 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 12 months ended 31 December 2016 comprise of the Company and its subsidiaries.

The principal activities of the Group are those of property development for residential and commercial properties in the People's Republic of China ("PRC"), resettlement housing construction and manufacturing and trading of clean room equipment, heating, ventilation, air-conditioning products and air purifiers.

## 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 financial statements of the Group as at 1 January 2016.

## 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, heating, 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:

	Unaudited Twelve Months Ended 31 December							
	Development Properties		Housing Construction		Equipment Manufacturing		Total	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Revenue from external customers	681,652	1,044,480	182	113,287	59,587	76,924	741,421	1,234,691
Segments results	121,428	217,663	(252)	(2,154)	(31,657)	8,384	89,519	223,893
Finance income	49,670	41,893	-	1,081	578	-	50,248	42,974
Finance costs	(40,264)	(44,687)	-	(3,647)	(544)	(85)	(40,808)	(48,419)
Profit before income tax							98,959	218,448
Taxation							(65,993)	(104,432)
Share of profit/(loss) of equity-accounted investees							46,106	(7,424)
Non controlling interests							(13,723)	(12,474)
Profit attributable to owners of the Group							65,349	94,118
Segment assets	1,012,366	765,962	-	2,208	37,259	36,981	1,049,625	805,151
Segment liabilities	1,489,043	1,413,113	-	153,824	258,524	29,716	1,747,566	1,596,653
Loans and borrowings	3,082,916	1,412,100	-	676,960	1,004	165,857	3,083,920	2,254,917
Total liabilities							4,831,487	3,851,570
<b>Other segment information</b>								
Depreciation of property, plant and equipment	3,519	3,797	-	290	1,683	2,429	5,202	6,516
Amortisation of intangible assets	134	166	-	5	1,016	-	1,150	171

## 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 twelve months period ended 31 December 2016 and 31 December 2015.

<u>Geographical segments</u>	<b>PRC RMB'000</b>	<b>Singapore RMB'000</b>	<b>Other Countries RMB'000</b>	<b>Total RMB'000</b>
<b>31-Dec-16</b>				
Revenue	690,520	41,022	9,880	741,421
Total assets	1,013,121	32,589	3,915	1,049,625
<b>31-Dec-15</b>				
Revenue	1,167,541	42,230	24,920	1,234,691
Total assets	768,747	32,217	4,187	805,151

## 4. Other income

	<b>GROUP</b>	
	<b>FY2016 RMB'000</b>	<b>FY2015 RMB'000</b>
Change in fair value of investment properties	11,700	22,124
Net change in fair value loss on financial assets held for trading	(495)	(756)
Commission income	-	176
Government grants	110	500
Rental income	2,894	2,000
Compensation income - withdrawal of a joint development project	30,600	-
Gain on disposal of quoted equity investment	1,032	-
Gain on disposal of investment property	-	2,209
Gain on disposal of property, plant and equipment	-	8,203
Foreign exchange gain/(loss), net	-	647
Gain on disposal of asset held for sale	-	5,710
Net gain on disposal of financial assets available-for-sale	-	563
Others	3,043	4,388
	<b>48,884</b>	<b>45,764</b>

## 5. Finance income/costs, net

	GROUP	
	FY2016 RMB'000	FY2015 RMB'000
Interest income	50,248	42,974
Loan interest expenses	(260,631)	(152,509)
Bank charges and others	(3,979)	(12,761)
Finance expenses, net	(214,362)	(122,296)
Finance costs capitalised in development properties	223,802	51,743
Finance costs capitalised in housing construction	-	65,108
Net finance income/(costs) recognised in profit or loss	9,440	(5,445)

## 6. Taxation

	GROUP	
	FY2016 RMB'000	FY2015 RMB'000
<b>Current tax expense</b>		
- Current period	(45,718)	(61,423)
- Overprovision in respect of prior years	-	1,887
	(45,718)	(59,536)
<b>Deferred tax expense</b>		
- Origination and reversal of temporary differences	4,215	(11,871)
- Withholding tax on the profits of the Group's PRC subsidiaries	(9,611)	(13,010)
	(5,396)	(24,881)
<b>Land appreciation tax expense</b>		
- Land appreciation tax	(14,879)	(35,149)
- Overprovision in respect of prior years	-	15,134
	(14,879)	(20,015)
<b>Taxation</b>	(65,993)	(104,432)

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.

The Group is subject to Land Appreciate Tax (“LAT”) in the PRC. The provision for LAT is based on management’s best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for some of its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the difference realises.

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		
	4Q2016 RMB’000	4Q2015 RMB’000	% change +/(–)	FY2016 RMB’000	FY2015 RMB’000	% change +/(–)
<b>Profit before taxation is stated after charging/(crediting):</b>						
Amortisation of intangible assets	209	41	410%	1,150	171	573%
Allowance for impairment loss on club membership	-	20	-100%	-	20	100%
Depreciation of property, plant and equipment	1,690	2,497	-32%	5,202	6,516	-20%
Interest income	(9,977)	(9,063)	10%	(50,248)	(42,974)	17%
Finance costs	14,820	16,554	-10%	40,808	48,418	-16%
Gain on disposal of investment property	-	(2,209)	100%	-	(2,209)	100%
Gain on disposal of quoted equity investments	(710)	(28)	100%	(1,032)	(28)	100%
Loss on disposal of club membership	-	-	-100%	-	20	100%
Fair value loss/(gain) on quoted investments	1,205	(909)	-100%	495	756	-35%
Property, plant and equipment written off	-	14	100%	-	14	100%
(Gain)/Loss on disposal of property, plant and equipment	-	(7,803)	100%	73	(8,203)	-100%
Net gain on disposal of financial asset available-for-sale reclassified from equity	-	-	-	-	(563)	-100%
Gain on disposal of assets classified as held for sale	-	-	-	-	(5,710)	-100%
Overprovision of land appreciation tax expense in respect of prior years	-	(15,134)	-	-	(15,134)	-100%
Overprovision of company tax expense in respect of prior years	-	(1,887)	-	-	(1,887)	-100%
Listing expenses	-	13,059	-	16,342	13,059	100%
Net change in fair value of investment properties	(11,700)	(8,577)	-	(11,700)	(22,124)	-100%

**Note:**

n.m: Not meaningful

## 8. Property, plant and equipment

During the year, the Group spent approximately RMB17.6 million (FY2015: RMB4.8 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.

### **Impairment loss**

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

	<b>Gross 2016 RMB'000</b>	<b>Impairment losses 2016 RMB'000</b>	<b>Gross 2015 RMB'000</b>	<b>Impairment losses 2015 RMB'000</b>
<b>Group</b>				
Neither past due nor impaired	94,700	—	125,680	—
Past due 1 – 30 days	4,958	—	9,549	—
Past due 31 – 60 days	2,058	—	1,658	—
Past due 61 – 90 days	3,552	—	736	—
Past due more than 90 days	2,788	—	4,172	—
	<u>108,056</u>	<u>—</u>	<u>141,795</u>	<u>—</u>

### *Trade receivables that are not past due and not impaired*

As at 31 December 2016, included in the trade receivables attributed to the Group's development property operations are amounts of RMB 30,089,000 and RMB 22,130,000 (2015: RMB 53,577,000 and RMB 64,716,000) 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 31 December 2016, included in receivables neither past due nor impaired is an amount of RMB 8,099,000 (2015: RMB 8,310,000) from a buyer where the repayment date has been further extended to 31 October 2017 (2015: repayment date extended till 30 September 2016) as agreed between both parties.

### *Trade receivables that are past due but not impaired*

As at 31 December 2016, the Group had trade receivables amounting to RMB 13,356,000 (2015: RMB 16,115,000) that were past due but not impaired. Included in these trade receivables are amounts of RMB 9,834,000 and RMB 3,522,000 (2015: RMB 14,088,000 and RMB 2,027,000) 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 31 December 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:

	<b>31 December 2016 RMB'000</b>	<b>31 December 2015 RMB'000</b>
Not past due	348,795	390,182
Past due 1 – 30 days	1,337	18,034
Past due 31 – 60 days	657	963
Past due 61 – 90 days	419	15,625
Past due more than 90 days	31,993	9,822
	<b>383,201</b>	<b>434,626</b>

## 11. Share capital

	<b>Group</b>	<b>Company</b>	
	<b>Share Capital RMB'000</b>	<b>No of shares issued</b>	<b>Share Capital RMB'000</b>
Issued and fully paid:			
<b>As at 1 January and 31 December 2016</b>	<b>359,700</b>	<b>196,133,152</b>	<b>1,737,554</b>

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 31 December 2016, there were no share options issued by the Company.

## 12. Loans and borrowings

### **Amount repayable in one year or less, or on demand**

<b>As at 31 December 2016</b>		<b>As at 31 December 2015</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>RMB '000</b>	<b>RMB '000</b>	<b>RMB '000</b>	<b>RMB '000</b>
1,851,202	111	755,292	110

**Amount repayable after one year**

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
RMB '000	RMB '000	RMB '000	RMB '000
1,232,588	19	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 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 any dividend for the twelve months ended 31 December 2016 (FY2015: S\$ nil).

**14. Earnings per share**

	GROUP		GROUP	
	4th Quarter ended		12 Months ended	
	31-Dec-16	31-Dec-15 Restated	31-Dec-16	31-Dec-15 Restated
Profit attributable to owners of the Company (RMB'000)	35,159	46,940	65,349	94,118
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)	17.93	23.93	33.32	47.99
(ii) On a fully diluted basis (RMB cents)	17.93	23.93	33.32	47.99

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 31 December 2016 and 31 December 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:-

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Net assets attributable to owners of the Company (RMB'000)	1,227,173	1,140,023	1,648,420	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)	6.26	5.81	8.40	8.50

## 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:

	<b>Group</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(i) Capital injection in respect of the Group's 30% equity interest in Shenzhen Longda	-	265,000
(ii) Development expenditures authorised and contracted for	540,331	423,733

## 17. Contingent liabilities

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

	<b>Group</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Guarantees given to banks in connection with banking facilities granted to third parties	1,161,827	840,869



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

	<b>Group</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loans and borrowings	3,083,920	2,254,917
Less: Cash and cash equivalents	(1,083,179)	(883,610)
Net debt	<u>2,000,741</u>	<u>1,371,307</u>
Equity attributable to owners of the Company	1,227,173	1,140,023
<b>Gearing ratio</b>	<u>163%</u>	<u>120%</u>

## 19. Share options

As at 31 December 2016, Company does not have any employee share option scheme.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

	GROUP			GROUP		
	4Q2016 RMB'000	4Q2015 RMB'000	% change +/(-)	FY2016 RMB'000	FY2015 RMB'000	% change +/(-)
<b><u>Property Development</u></b>						
Sales	137,999	387,634	-64%	681,652	1,044,480	-35%
Cost of sales	(124,538)	(255,612)	-51%	(489,806)	(752,099)	-35%
Gross profit	<u>13,461</u>	<u>132,022</u>		<u>191,846</u>	<u>292,381</u>	
Gross Profit Margin	10%	34%		28%	28%	
<b><u>Housing Construction</u></b>						
Sales	-	16,907	-100%	182	113,287	-100%
Cost of sales	-	(14,653)	-100%	(434)	(110,009)	-100%
Gross profit	<u>-</u>	<u>2,254</u>		<u>(252)</u>	<u>3,278</u>	
Gross Profit Margin	n.m	13%		-138%	3%	
<b><u>Equipment Manufacturing</u></b>						
Sales	16,054	27,312	-41%	59,587	76,924	-23%
Cost of sales	(9,979)	(15,420)	-35%	(38,775)	(46,380)	-16%
Gross profit	<u>6,075</u>	<u>11,892</u>		<u>20,812</u>	<u>30,544</u>	
Gross Profit Margin	38%	44%		35%	40%	

### **Revenue and Gross Profit Margin (“GP Margin”)**

#### *Property development business*

4Q2016 property development sales decreased by 64% to approximately RMB139.9 million from the same period of last year. The lower sales were mainly caused by lower total net saleable floor area (“NSFA”) handed over to customers of approximately 20,402.3 sqm (4Q2015: 51,481.0 sqm) due to delays in the completion and handover of a substantial amount of property development projects as a result of issuance of several governmental construction stoppage orders pursuant to environmental control measures in China during the quarter under review. 12M2016 property development sales was 35% lower as compared to same period of last year mainly due to lower total NSFA handed over to customers in 1Q2016, 3Q2016 and 4Q2016. Overall, total NSFA handed over to customers for 12M2016 was approximately 100,656.3 sqm (12M2015: 162,754.7 sqm).

Revenue from property development sales for 12M2016 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 RMB314.6 million, RMB248.5 million and RMB39.8 million, respectively.

The GP margin of property development business for 4Q2016 was 24% lower than the same periods of last year respectively mainly due to sales of projects that incurred higher interest cost as well as lower sales of parking lots, where the cost of construction of car park lots has been apportioned according to the total NSFA. 12M2016 GP margin was consistent with the same period of last year.

### 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 FY2016 and FY2015 was mainly from construction of additional ancillary facilities as requested by the local government.

The GP margin of housing construction business for FY2016 was 141% lower than FY2015 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 purification, grilles, diffuser and marine damper products. Sales in 4Q2016 and FY2016 was 41% and 23% lower as compared to the same periods of the last year respectively mainly due to lower sales of clean room equipment product in the quarter under review.

The GP margin for equipment business for 4Q2016 and FY2016 was lower compared to the same periods of last year mainly due to the lower sales of clean room equipment that generally fetched higher average profit margin.

### Other income

Other income for FY2016 comprised mainly a compensation received for which an intended joint development project was agreed by the Group to be withdrawn in 2Q2016 of approximately RMB30.6 million and fair value gain from investment properties of approximately RMB11.7 million.

### Selling and distribution expenses

The higher selling and distribution expenses for FY2016 was due mainly to more promotional activities for development projects such as Weiye Oxygen Cube and Weiye Central Park as well as higher sales commission paid for sales of development properties of Weiye Central Park Phase III & IV during the period under review.

### Administrative expenses

Administrative expenses for 4Q2016 was lower as compared to the same period of last year mainly due to recognition of listing expenses incurred to date in 4Q2015 relating to the Company's application for dual primary listing on Hong Kong Stock Exchange of approximately RMB15.6 million and listing of Eindex Group on Singapore Stock Exchange of approximately RMB4.9 million in 4Q2015. Overall administrative expenses for FY2016 was higher as compared to the same period of last year mainly due to higher travelling expenses, office administrative expenses and employee salary cost as a result of property development business expansion during the period under review.

### **Net finance (expenses)/income**

Total finance expense for 4Q2016 and FY2016 was lower than the same periods of last year mainly due to higher interest cost being capitalised into development projects during the periods under review. Net finance income was recorded for FY2016 mainly due to interest income arising from property development project investment deposits being refunded for the Group's withdrawal of an intended joint development project in 2Q2016 and interest income recognised on a property development project investment deposit being refunded as a result of the Group's termination of a collaboration agreement dated on 14 September 2015 with Shenzhen Huibang Investment Management Co., Ltd for the development of the land-use rights in Shenzhen city Longgang district Longdong community Yuansheng area ("Yuansheng Project") in 3Q2016.

### **Share of profit/(loss) on equity-accounted investees**

Share of profit of investment in joint venture was mainly due to the Group's share of profit in the operation of Daimashi Shiye Co., Ltd ("Daimashi"). Daimashi has started handing development properties units to customers and recognising sales in 4Q2016.

### **Taxation**

The decrease in taxation for FY2016 was mainly due to lower provision of corporate income tax of approximately RMB13.3 million as a result of lower net profit before tax during the period under review, lower provision of land appreciation tax of approximately RMB5.1 million as a result of reversal of prior periods' overprovision of land appreciation tax in 4Q2016 and lower provision of deferred tax expenses of approximately RMB20.0 million.

### **Review of Financial Position**

The increase in property, plant and equipment was mainly due to addition of new office units that was transferred from property held for sale for the Group's own use during the period under review.

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 increase of RMB46.1 was mainly due to the Group's share of Daimashi results during the period under review. Daimashi has started recognising sales of its development properties in 4Q2016.

In addition, the investment in joint venture increased by RMB110.0 million due to the reclassification of the investment in Hanfang Yaoye Co., Ltd ("Hanfang Yaoye") which was classified as an asset held for sale in prior year. In 2014, the Group acquired 51% equity interest in Hanfang Yaoye with the intention of securing an interest in a land-use-rights owned by Hanfang Yaoye in respect of a land parcel located in Zhengzhou, Henan Province, People Republic of China. Pursuant to a collaboration agreement entered into between the Group and Hanfang Yaoye's original owners, the Group's interest in Hanfang Yaoye is limited to the rights over all matters relating to the land-use-rights, but not other operations of Hanfang Yaoye. Meanwhile, the Group incorporated a new entity, Hanwei Zhiye Co., Ltd ("Hanwei Zhiye") in 2014 for the purpose of receiving the land-use-rights from Hanfang Yaoye and to jointly develop the property on the land-use-rights with Hanfang Yaoye's original owners. Upon completion of the transfer of the land use rights, the Group's 51% equity interest in Hanfang Yaoye will be disposed to Hanfang Yaoye's original owners in exchange for 51% equity interest in Hanwei.

As at 31 December 2016, the transfer of the land use rights was delayed due to unforeseen circumstances. The Group is currently working towards resolution of these delays in order to resume the original

purpose of the joint development. The Group assessed that the investment in Hanfang Yaoye is not available for immediate sale and thus no longer meet the definition as an asset held for sale. Consequently, the Group reclassified the investment in Hanfang Yaoye as an investment in joint venture.

The increase in investment in investment properties was mainly due to a reclassification of investment property held for development that has completed construction in 4Q2016 as well as fair value gain recognized during the period under review. In addition, the Group reclassified an investment property, Costa Rhine Building 6, from asset held for sale to investment property as the asset no longer meet the definition as assets held for sale as at 31 December 2016.

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

The decrease in trade and other receivables (non-current) was mainly due to property development project investment deposit been refunded as a result of the Group's termination of a collaboration agreement dated on 14 September 2015 with Shenzhen Huibang Investment Management Co., Ltd for the development of the land-use rights in Shenzhen city Longgang district Longdong community Yuansheng area ("Yuansheng Project") in 4Q2016.

The increase in properties held for sale of approximately RMB1.5 billion was mainly due to acquisition of land banks as announced on 13 September 2016 and 17 October 2016 and the progressive construction works of property development projects in the period under review such as Weiye Longhushangcheng Yihaoyuan and Weiye Xinxiang Central Park Phase V, partially offset by the sales of property development units in development projects, such as Weiye Xinxiang Central Park Phase II, III&IV, Weiye Tiandao International and Weiye Oxygen Cube A Phase I & II.

The decrease in trade and other receivables of approximately RMB579.4 million was mainly due to collection from construction of resettlement housing phase I of approximately RMB225.0 million and reclassification of pre-development costs of approximately RMB 345.8 million on a plot of land that the Group had on 3 March 2016 obtained from the local government in Zhengzhou City, PRC to properties held for sale.

The decrease in assets held for sale was mainly due to the reclassification of Costa Rhine Building 6 to investment property of approximately RMB 40 million and the investment in Hanfang Yaoye to investment in joint venture of approximately RMB 110 million. The disposal of both assets were delayed, the resolution of which may require more time. As such, they no longer meet the definition as assets held for sale.

The decrease in trade and other payables was mainly due to repayment to trade creditors upon the completion of various development projects.

The increase in advance receipts from sale of properties was mainly from Weiye Central Park Phase V, partially offset by 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 represents 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 loans and borrowings obtained to finance the development of property projects.

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 RMB9.6 million and other temporary tax differences of approximately RMB10.6 million relating to provision of land appreciation tax.

### **Cash flow statement**

Cash flows from operating activities before changes in working capital amounted to approximately RMB101.6 million. Cash used in working capital amounted to approximately RMB321.4 million mainly due to increase in properties held for sales of approximately RM1.3 billion, partly offset by decrease in trade and other receivables of approximately RMB768.6 million and increase in trade and other payables of approximately RMB155.5 million. After changes in working capital and payment for income tax of approximately RMB100.7 million, net cash flow used in operating activities amounted to approximately RMB320.4 million.

Net cash used in investing activities amounted to approximately RMB21.4 million mainly due to subsequent construction costs on investment property under development of approximately RMB45.3 million, purchase of property, plant and equipment of approximately RMB17.6 million, partly offset by interest received of approximately RMB10.0 million and deposit refunded from third party of approximately RMB35.0 million.

Net cash from financing activities amounted to approximately RMB817.7 million mainly due to proceeds from bank borrowings of approximately RMB2.3 billion and decrease in restricted cash of approximately RMB274.5 million, partly offset by interest payment of approximately RMB264.6 million and repayment of bank borrowings of approximately RMB1.5 billion.

### **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 year 2016. The economy achieved a real domestic disposable income growth of 8.4% y-o-y (6.3% excluding price factor), with an increase in total investments in its property market by 6.9% y-o-y in the same period (7.5% excluding price factor). Overall, in 2016, with the Chinese government’s emphasis on maintaining growth stability, pushing for new concept of national development, modest effort in expanding aggregate demand, proper dealing of risks and challenges and guidance in desirable social expectation formation, the Chinese national economy growth eventually maintained within a reasonable level and the quality and efficiency of its national development continued to improve.

Henan province, being the Group’s primary market, recorded a GDP growth of 8.1% in the first three quarters of year 2016, being 1.4% higher than national average level. Its total real estate investment grew 28.2% y-o-y (29.2% excluding price factor). Meanwhile, Hainan province, another region where the Group operates, recorded a GDP growth of 7.5% in the same period of 2016, with a total real estate investment growth of 4.9% y-o-y. The growth of the economies in both provinces had outperformed the national average, especially the Henan Province where Zhengzhou City, which was approved by the China Central Government as one of the China Central Cities and free trade zone in 2016, demonstrated faster growth in property market continuously for 6 months. Therefore, the Group remains cautiously optimistic of its property development business. However, as the Chinese government continues to restrict manufacturing and construction of factories and work sites as a result of hazy condition such as the issuance of governmental constructions stoppage orders, recognition of sales by property developers such as our Group may be delayed where property development activities are impeded by such restrictions. The group shall be more careful in planning its future property development.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2016, there were 416 (FY2015: 393) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for twelve months period ended 31 December 2016 were approximately RMB64.2 million (FY2015: RMB60.2 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 twelve months ended 31 December 2016.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

There was no material acquisition and disposal of subsidiaries by the Group during the twelve months ended 31 December 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 twelve months ended 31 December 2016.

## **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 twelve months ended 31 December 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 twelve months ended 31 December 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 figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2016 have been compared by the Company’s auditors, KPMG LLP, Certified Public Accountants, to the amounts set out in the Group’s draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG LLP in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

## **ANNUAL GENERAL MEETING**

It is proposed that the annual general meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of annual general meeting will be published and dispatched to the shareholders of the Company in due course.



## **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](http://www.hkexnews.hk), the website of the Company at [www.weiye holdings.com](http://www.weiye holdings.com) and the website of the SGX-ST at [www.sgx.com](http://www.sgx.com). The annual report of the Company for the twelve months ended December 31, 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 3<sup>rd</sup> quarter result announcement for the financial period ended September 30, 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 full year financial results for the twelve months ended December 31, 2016 to be false or misleading in any material aspect.

***4. A breakdown of sales as follows:—***

	<b>31-Dec-16 RMB'000</b>	<b>31-Dec-15 RMB'000</b>	<b>% Increase/ (decrease)</b>
(a) Sales reported for first half year	390,914	554,450	-29.5%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	34,080	43,555	-21.8%
(c) Sales reported for second half year	350,507	680,241	-48.5%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	44,264	63,037	-29.8%

Note:

n.m: Not meaningful

**5. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—**

	<b>31-Dec-16 SGD'000</b>	<b>31-Dec-15 SGD'000</b>
(a) Ordinary share	-	-
(b) Preference share	-	-
(c) Total	-	-

**6. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Chen Zhiyong	47	Brother-in-law of Zhang Wei	Executive Director and Chief Operating Officer, responsible for procuring, directing, authorizing, monitoring and budgeting of construction material for property development projects of the Group.	Not applicable
Ma Wei	42	Cousin of Zhang Wei	Vice president of project operations department	Not applicable

**7. 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.

On Behalf of the Board of Directors

Zhang Wei  
Executive Chairman and Chief Executive Officer  
27 February 2017

Chen Zhiyong  
Executive Director  
27 February 2017

*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.*