



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)

Singapore Stock Code: BMA
Hong Kong Stock Code: 1570



2017
INTERIM
REPORT

中期報告

** For identification purpose only*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Zhang Wei (*Executive Chairman and Chief Executive Officer*)
 Chen Zhiyong (*Executive Director and Chief Operating Officer*)
 Dong Xincheng (*Non-Executive Director*)
 Ong Kian Guan (*Lead Independent Non-Executive Director*)
 Oh Eng Bin (*Independent Non-Executive Director*)
 Siu Man Ho Simon (*Independent Non-Executive Director*)

Audit Committee

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

Nominating Committee

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

Remuneration Committee

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

Company Secretaries

Shirley Tan Sey Liy (ACIS)
 Man Yun Wah (HKICS)

Registered Office

100H Pasir Panjang Road #01-01
 OC@Pasir Panjang
 Singapore 118524

Headquarters and Principal Place of Business in The PRC

19th Floor, Block A, Weiye International Building
 Cross of East Jinshui Road and Jinxiu Road
 Zhengzhou City
 Henan Province
 The PRC

Principal Place of Business in Hong Kong

Rooms 2105-06, 21/F
 Office Tower Langham Place
 8 Argyle Street
 Mongkok, Kowloon
 Hong Kong

Auditors

KPMG LLP
 16 Raffles Quay #22-00
 Hong Leong Building
 Singapore 048581
 Partner-in-charge: Loo Kwok Chiang, Adrian
 (Public Accountants and Chartered Accountants Singapore)
 (Appointed since financial year ended 31 December 2016)

Singapore Principal Share Registrar and Transfer Office

RHT Corporate Advisory Pte. Ltd.
 9 Raffles Place #29-01
 Republic Plaza Tower 1
 Singapore 048619

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
 Level 22, Hopewell Centre
 183 Queen's Road East
 Hong Kong

Principal Bankers

China Construction Bank (Henan Branch)
 80 Garden Road
 Zhengzhou City
 Henan Province
 The PRC 450003

China Construction Bank (Hainan Branch)
 Jian Hang Building
 Guo Mao Main Road
 Haikou City
 Hainan Province
 The PRC 570125

United Overseas Bank Ltd
 80 Raffles Place
 UOB Plaza
 Singapore 048624

FINANCIAL HIGHLIGHTS

Weiyee Holdings Limited (the “Company”) was incorporated in the Republic of Singapore. The ordinary shares of the Company (the “Shares”) are listed and traded on the Main Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”).

The Board (the “Board”) of Directors (the “Director(s)”) of Weiyee 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 (“2Q2017”) and the six months ended 30 June 2017 (“1H2017”), together with the relevant comparative figures for the second quarter (“2Q2016”) and six months ended 30 June 2016 (“1H2016”).

Financial Highlights

	GROUP			GROUP		
	2Q2017	2Q2016	% change	1H2017	1H2016	% change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue	460,915	295,191	56%	603,290	410,856	47%
Gross profit	48,593	84,885	-43%	103,570	140,545	-26%
(Loss)/Profit before taxation	(36)	69,767	n.m	28,196	91,169	-69%
(Loss)/Profit attributable to owners of the Company	(15,158)	19,547	n.m	(13,949)	28,026	n.m
Basic earnings per share (RMB cents)	(7.73)	9.97	n.m	(7.11)	14.29	n.m

n.m – Not Meaningful



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

	GROUP			GROUP		
	2Q2017	2Q2016	% change	1H2017	1H2016	% change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Property Development						
Sales	439,562	267,181	65%	569,362	363,873	56%
Cost of sales	(396,876)	(194,477)	104%	(476,677)	(241,130)	98%
Gross profit	42,686	72,704		92,685	122,743	
Gross Profit Margin	10%	27%		16%	34%	
Housing Construction						
Sales	-	-	-	-	182	-100%
Cost of sales	-	(57)	-100%	-	(407)	-100%
Gross profit	-	(57)		-	(225)	
Gross Profit Margin	n.m	n.m		n.m	-124%	
Equipment Manufacturing						
Sales	21,353	28,010	-24%	33,928	46,801	-28%
Cost of sales	(15,446)	(15,772)	-2%	(23,043)	(28,774)	-20%
Gross profit	5,907	12,238		10,885	18,027	
Gross Profit Margin	28%	44%		32%	39%	

Revenue and Gross Profit Margin ("GP Margin")

Property development business

2Q2017 property development sales increased by 65% to approximately RMB439.6 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 85,942.0 sqm (2Q2016: 44,810.1 sqm). 1H2017 property development sales was higher as compared to same period of last year mainly due to higher total NSFA handed over to customers during 2Q2017. Overall, total NSFA handed over to customers for 1H2017 was approximately 103,843.7 sqm (1H2016: 56,126.3 sqm).

Revenue from property development sales for 1H2017 was mainly from the following projects, namely Weiyi Central Park Phase III, IV & V, Weiyi Tiandao International and Weiyi Oxygen Cube A Phase I & II, which contributed approximately RMB434.0 million, RMB88.7 million and RMB33.6 million, respectively.

The GP margin of property development business for 1H2017 was 18% lower than same period of last year mainly due to sales of residential units from Weiyi Central Park Phase V with lower gross profit margin as well as lower sales of car parking lots during the period under review. In 1H2016, the gross profit margin was higher mainly due to higher sales of commercial units from WY Tiandao International which fetched higher gross profit margin as well as higher sales of car parking lots of Weiyi Central Park Phase III & IV.

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 was mainly from construction of additional ancillary facilities as requested by the local government. There was no construction works in 1H2017.

Equipment business

The sales of equipment comprised mainly sales of clean room equipment, air purifier, grilles, diffuser and marine damper products. Sales in 2Q2017 and 1H2017 was 24% and 28% lower, respectively, as compared to the same period of last year mainly due to lower sales being recognized for air purifier in the PRC, where certain installation projects were yet to be completed in 1H2017. However, 1H2017 sales of clean room equipment products was higher compared to the same period of last year as a result of a change in business expansion strategies that caused the Group to foray into new markets.

The GP margin for equipment business for 2Q2017 and 1H2017 was 16% and 7% lower, respectively, as compared with the same period of last year mainly due to decrease in selling price of clean room equipment products resulted from intense competition and pursuant of the new business strategies for the sales of clean room equipment and lower sales of air purification products which fetched higher gross profit margin.

Other income

There was no material other income in 1H2017. In 1H2016, there was a compensation of approximately RMB30.6 million for which an intended joint development project was agreed to be withdrawn in 2Q2016.

Selling and distribution expenses

The higher selling and distribution expenses for 2Q2017 and 1H2017 was due mainly to more promotional activities for the upcoming project namely Weiye Yehai Shangcheng and Weiye Shangcheng Yihaoyuan and more agent commission paid for sales of development properties of Weiye Central Park Phase IV and V, Weiye Tiandao International and Weiye Oxygen Cube A Phase I and II during the period under review.

Administrative expenses

Other than the listing expenses in relation to the Company's dual primary listing on the Hong Kong Stock Exchange of approximately RMB6.0 million and RMB10.3 million in 1Q2016 and 2Q2016, respectively, the administrative expenses for 1H2017 was higher as compared to the same period of last year mainly due to the expansion of property development business into Pearl River Delta region and higher travelling expenses and office administrative expenses during the period under review.

Net finance income

Net finance expense and lower net finance income was reported in 2Q2017 and 1H2017, respectively, mainly due to lower interest cost being capitalised into development projects during the period under review.

Share of profit of investment in joint venture

Share of profit of investment in joint venture was mainly due to the share of profit in the operation of Daimashi Shiye Co., Ltd ("Daimashi").

Taxation

The decrease in taxation for 2Q2017 was mainly due to lower provision of corporate income tax of approximately RMB16.7 million as a result of lower net profit before tax during the quarter under review and lower land appreciation tax of approximately RMB4.1 million as a result of lower average selling price of certain development properties. The overall decrease in taxation for 1H2017 was mainly due to lower provision of corporate income tax of approximately RMB12.5 million as a result of lower net profit before tax during the period under review.

Liquidity and Financial Resources

Review of financial position

The increase in investment in joint venture was mainly due to the sharing of the profit of approximately RMB10.2 million in the 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 jointly develop the land held by Daimashi SHIYE Co Ltd during the period under review.

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 of approximately RMB228.3 million was mainly due to acquisition of land banks and the progressive construction works of Weiye Shangcheng Yihaoyuan, Weiye Yehai Shangcheng and Weiye Meiyue Wan in the period under review.

The decrease in trade and other receivables of approximately RMB257.3 million was mainly due to deposit of approximately RMB91.5 million for bidding of land plot No.2 of Weiye Shangcheng Yihaoyuan being capitalized in development properties upon its successful acquisition in 1Q2017, as well as collection from construction of resettlement house phase I of approximately RMB99.3 million.

The increase in trade and other payables was mainly from additional billings for construction of new projects such as Weiye Yehai Shangcheng and Weiye Meiyue Wan in the period under review.

The increase in advance receipts from sales of properties was mainly due from Weiye Shangcheng Yihaoyuan and Weiye Yehai Shangcheng in 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 decrease in loans and borrowings was mainly due to the loan repayment during the period under review.

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

Cash flow statement

Cash flows from operating activities before changes in working capital amounted to approximately RMB12.1 million. Cash flow from working capital amounted to approximately RMB653.5 million mainly due to decrease in trade and other receivables of approximately RMB250.2 million and increase in trade and other payables of approximately RMB530.3 million, partly offset by increase in properties held for sale and development of approximately RMB127.3 million. After changes in working capital and payment for various taxes of approximately RMB106.1 million, net cash flow from operating activities amounted to approximately RMB559.5 million.

Net cash from investing activities amounted to approximately RMB30.1 million mainly due to interest received of approximately RMB32.8 million and proceeds from disposal of property, plant and equipment of approximately RMB1.9 million. It was partly offset by purchase of property, plant and equipment approximately RMB2.1 million and purchases (net of disposal) of quoted investments of approximately RMB1.9 million.

Net cash used in financing activities amounted to approximately RMB787.2 million mainly due to repayment of bank borrowings of approximately RMB1.7 billion and interest payment of approximately RMB129.1 million, partly offset by proceeds from bank borrowings of approximately RMB1.1 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 6.9% year-on-year ("y-o-y") gross domestic product ("GDP") growth in first half of year 2017, which is 0.2% higher than the same period last year. The economy achieved a real domestic disposable income growth of 8.8% y-o-y (7.3% excluding price factor). It was 0.3% better than the first quarter this year and 0.8% higher than the same period last year. At the same time, the total investments in China property market increased by 9.1% y-o-y, which was 0.6% lower than the first quarter this year. Overall, the national economy continue to maintain a steady development momentum in the first half of year 2017.

Henan province, being the Group's primary market, recorded a GDP growth of 8.2% in the first half of the year 2017. The growth rate is 0.2% higher than the first quarter this year and same period of last year, being 1.3% higher than the national average level. Its total real estate investment grew 22.9% y-o-y, in which investment in residential houses increase by 22.3% and sales in commercial houses increase by 24.1%. Meanwhile, Hainan province, another main region where the Group operates, recorded a GDP growth of 7.7% y-o-y, which is 0.5% higher than the expectation and 0.6% higher than the national average. The total real estate investment growth of 10.3% y-o-y. Guandong province, being the Group's new market, recorded a GDP growth of 8.8% in the first half of the year 2017. The growth rate is 0.2% higher than the first quarter this year and same period of last year, being 1.9% higher than the national average level. Its total real estate investment grew 25.3% y-o-y. The growth of the economic in these three provinces had outperformed the national average. Therefore, the Group remains cautiously optimistic of its property development business.

DISCLOSURE OF INTERESTS

Interests and Short Positions of the Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

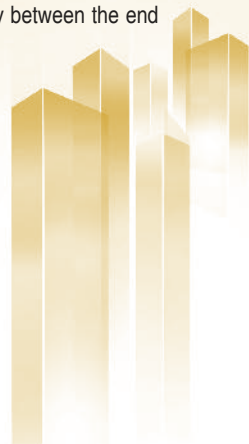
As at 30 June 2017, the interests or short positions of our Directors and chief executive of our Company in the Shares or underlying shares of or debentures of our Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which will have to be notified to our Company and the SEHK pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or, which will be required, recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act (Cap. 50, Singapore Statutes) of Singapore, or, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to notify our Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Under Section 164 of the Companies Act (Cap.50, Singapore Statutes) of Singapore

Name of Director and corporation in which interests are held	Direct Interest		Deemed Interest	
	Holdings at beginning of the period	Holdings at end of the period	Holdings at beginning of the period	Holdings at end of the period
<i>Weiye Holdings Limited</i>				
<i>Ordinary Shares</i>				
Zhang Wei	–	–	91,029,648	91,029,648
Chen Zhiyong	–	–	40,240,256	40,240,256

Except as disclosed in this statement, no Director who held office at the end of the financial period had interests in shares or debentures of the Company or of related corporations, either at the beginning or at the end of the financial period.

There were no changes in any of the above mentioned interests in the Company between the end of the financial period.



Under Section 352 of the SFO

Name of Director	Capacity/ Nature of Interest	Number and class of securities	Approximate percentage of interest
Zhang Wei (<i>Note 1</i>)	Beneficial Interest	91,029,648 (L)*	46.41%
		75,529,548 (S)**	38.51%
Chen Zhiyong (<i>Note 2</i>)	Beneficial Interest	40,240,256 (L)*	20.52%
		24,240,256 (S)**	12.36%

Notes:

- (1) As at 30 June 2017, Zhang Wei is deemed interested in 91,029,648 Shares held under the nominee accounts, HKSCC Nominees Limited.
- (2) As at 30 June 2017, Chen Zhiyong is deemed interested in 40,240,256 Shares held under the nominee account, HKSCC Nominees Limited.

* (L) denotes Long position

** (S) denotes Short position

Save as disclosed above, as at 30 June 2017, none of the Directors or Chief Executive Officer of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the SEHK pursuant to Division 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the SEHK.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2017, the persons or entities who have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name of Substantial Shareholders	Capacity/ Nature of Interest	Numbers and class of securities	Approximate percentage of interest
HKSCC Nominees Limited (<i>Note 1</i>)	Nominee for other persons	176,688,393 (L)*	90.09%

Notes:

- (1) To the best knowledge of our Directors, having made all reasonable enquiries, as at 30 June 2017, HKSCC Nominees Limited held these 176,688,393 Shares as nominee for certain corporations and individuals. Among those Shares, 91,029,648 Shares, and 40,240,256 Shares are held for and beneficially owned by Zhang Wei and Chen Zhiyong, respectively. The remaining Shares are held by HKSCC Nominees Limited as nominee for other Shareholders.

* (L) denotes Long position

Save as disclosed above, as at 30 June 2017, the Directors are not aware of any other persons (who is not a Director or the Chief Executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Employees and Remuneration Policy

As at 30 June 2017, there were 433 (2016: 416) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for six months period ended 30 June 2017 were approximately RMB38.6 million (1H2016: RMB35.0 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 2017.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this interim report, there was no material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2017.

Gearing Ratio

Gearing ratio is our total debt divided by total equity. Total debt includes interest-bearing bank and other borrowings. As at 30 June 2017, our Group has gearing ratio of 130% compared to that of 167% as at 31 December 2016. Details of the gearing ratio are set out in Note 18 to the financial statements.

Foreign Exchange Exposure

Our Group's property development, housing construction, and clean room equipment and air diffusion businesses are principally conducted in RMB and SGD, which are the functional currencies of the respective subsidiaries of our Group. Most of our Group's monetary assets and liabilities are denominated in RMB and SGD. Accordingly, our Directors consider our Group's exposure to foreign currency risk is not significant. Our Group does not employ any financial instruments for hedging purposes.

Contingent Liabilities

Details of the contingent liabilities of the Group are set out in Note 17 to the financial statements, which included guarantees given to banks in connection with banking facilities granted to third parties.

Significant investments held

Except for investment in subsidiaries and joint venture, the Group did not hold any significant investment in equity interest in any other company during the period.

Material Acquisitions and Disposals

Save as disclosed in this report, there was no material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2017.

Share Capital

Details of the Company's issued share capital during the period are set out in Note 11 to the interim report. There were no movements in the Company's issued share capital during the period.

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 interim report for the six months ended 30 June 2017.

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 2017, 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 2017.

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.

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 31 March 2017.

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. *A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on*

As at 30 June 2017, there were no sales, transfers, cancellation and / or use of subsidiary holdings.

4. *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 2017 to be false or misleading in any material aspect.

5. *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
Weiyee Holdings Limited

Zhang Wei
*Executive Chairman and
Chief Executive Officer*
Hong Kong, 25 September 2017

Chen Zhiyong
*Executive Director and
Chief Operating Officer*
Hong Kong, 25 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Note	GROUP			GROUP			
	2Q2017 RMB'000 (Unaudited)	2Q2016 RMB'000 (Unaudited)	% change + / (-)	1H2017 RMB'000 (Unaudited)	1H2016 RMB'000 (Unaudited)	% change + / (-)	
Revenue							
- Development properties	439,562	267,181	65%	569,362	363,873	56%	
- Housing construction	-	-	-	-	182	-100%	
- Equipment manufacturing	21,353	28,010	-24%	33,928	46,801	-28%	
	460,915	295,191		603,290	410,856		
Cost of sales							
- Development properties	(396,876)	(194,477)	104%	(476,677)	(241,130)	98%	
- Housing construction	-	(57)	-100%	-	(407)	-100%	
- Equipment manufacturing	(15,446)	(15,772)	-2%	(23,043)	(28,774)	-20%	
	(412,322)	(210,306)		(499,720)	(270,311)		
Gross profit	48,593	84,885	-43%	103,570	140,545	-26%	
Other income	4	2,719	31,455	-91%	3,150	32,171	-90%
Selling and distribution expenses	(16,144)	(11,097)	45%	(25,161)	(16,128)	56%	
Administrative expenses	(36,291)	(39,040)	-7%	(67,359)	(66,097)	2%	
Other operating expenses	(567)	(1,193)	-52%	(657)	(1,461)	-55%	
Results from operations	(1,690)	65,010		13,543	89,030		
Net finance (expenses)/income	5	(8,515)	6,929	-223%	4,483	5,130	-13%
Share of profit/(loss) of equity-accounted investees	10,169	(2,172)	-568%	10,170	(2,991)	-440%	
(Loss)/Profit before taxation	(36)	69,767		28,196	91,169		
Taxation	6	(14,491)	(35,618)	-59%	(34,426)	(48,510)	-29%
(Loss)/Profit for the period	7	(14,527)	34,149		(6,230)	42,659	
(Loss)/Profit attributable to:							
Owners of the Company	(15,158)	19,547	(13,949)	28,026			
Non-controlling interests	631	14,602	7,719	14,633			
	(14,527)	34,149		(6,230)	42,659		

Note:

n.m: Not meaningful

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	GROUP			GROUP		
	2Q2017	2Q2016	% change	1H2017	1H2016	% change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
(Loss)/Profit for the period	(14,527)	34,149		(6,230)	42,659	
Other comprehensive (loss)/income						
Items that may be reclassified						
subsequently to profit or loss:						
Foreign currency translation differences						
- foreign operations	(9,613)	(3,447)	179%	(3,967)	(6,071)	-35%
Total other comprehensive						
loss for the period,						
net of tax	(9,613)	(3,447)		(3,967)	(6,071)	
Total comprehensive (loss)/income						
for the period	(24,140)	30,702		(10,197)	36,588	
Total comprehensive (loss)/income						
attributable to:						
Owners of the Company	(24,771)	16,100		(17,916)	21,955	
Non-controlling interests	631	14,602		7,719	14,633	
	(24,140)	30,702		(10,197)	36,588	

Note:

n.m: Not meaningful

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets					
Property, plant and equipment	8	56,015	57,068	1	5
Investments in subsidiaries		–	–	1,669,975	1,669,975
Investment in joint venture		298,852	288,682	–	–
Investment properties		483,000	483,000	–	–
Amount due from non-controlling interests (non-trade)		99,160	99,160	–	–
Amount due from a joint venture partner (non-trade)		123,992	117,876	–	–
Intangible assets		3,510	3,421	–	–
Club memberships		418	418	418	418
Deferred tax assets		6,334	19,233	–	–
		1,071,281	1,068,858	1,670,394	1,670,398
Current assets					
Properties held for sale and development		2,774,028	2,545,693	–	–
Inventories		16,944	17,238	–	–
Trade and other receivables	9	1,181,434	1,438,780	241	144
Amount due from a joint venture partner (non-trade)		21,081	20,226	–	–
Amount due from subsidiaries (non-trade)		–	–	183,032	21,329
Prepaid tax		28,972	34,358	–	–
Other financial assets		3,600	2,320	–	–
Cash and cash equivalents		886,676	1,083,179	9,304	1,360
		4,912,735	5,141,794	192,577	22,833

	Note	GROUP		COMPANY	
		30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current liabilities					
Trade and other payables	10	538,840	494,668	765	1,456
Advance receipts from sale of properties		980,521	519,418	–	–
Amount due to joint venture (non-trade)		306,000	281,000	–	–
Amount due to subsidiaries (non-trade)		–	–	31,155	43,355
Loans and borrowings	12	1,599,872	1,851,202	–	–
Finance lease liabilities		108	111	–	–
Income tax payable		134,394	210,422	–	–
		3,559,735	3,356,821	31,920	44,811
Net current assets/(liabilities)		1,353,000	1,784,973	160,657	(21,978)
Non-current liabilities					
Finance lease liabilities		153	19	–	–
Loans and borrowings	12	827,000	1,232,588	187,178	–
Deferred tax liabilities		228,160	242,059	–	–
		1,055,313	1,474,666	187,178	–
Net assets		1,368,968	1,379,165	1,643,873	1,648,420
Equity					
Share capital	11	359,700	359,700	1,737,554	1,737,554
Reserves		823,727	841,643	(93,681)	(89,134)
Equity attributable to owners of the Company		1,183,427	1,201,343	1,643,873	1,648,420
Non-controlling interests		185,541	177,822	–	–
Total equity		1,368,968	1,379,165	1,643,873	1,648,420

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	2Q2017	2Q2016	1H2017	1H2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities:				
(Loss)/Profit before taxation	(36)	69,767	28,196	91,169
Adjustments for:				
Amortisation of intangible assets	268	252	549	501
Gain on disposal of subsidiary	(29)	–	(29)	–
Depreciation of property, plant and equipment	1,307	1,667	2,597	2,641
Interest income	(6,955)	(14,810)	(32,567)	(23,876)
Finance expense	15,470	7,881	28,084	18,746
Gain on disposal of property, plant and equipment	(626)	–	(643)	–
Gain on disposal of quoted equity investments	–	(233)	(166)	(233)
Property, plant and equipment written off	–	–	20	–
Net changes in fair value loss on financial assets held for trading	293	621	782	710
Share of (profit)/loss of equity-accounted investees	(10,169)	2,172	(10,170)	2,991
Listing expenses	–	10,300	–	16,342
Effects of exchange rate changes	(15,896)	7,998	(4,545)	3,651
	(16,373)	85,615	12,108	112,642
Changes in working capital				
Properties held for sale and development	194,239	64,573	(127,272)	(30,786)
Inventories	3,930	(370)	294	(1,757)
Trade and other receivables	132,123	(60,153)	250,157	(249,479)
Trade and other payables	266,206	8,290	530,275	(192,611)
Cash flows generated from/(used in) operations	580,125	97,955	665,562	(361,991)
Income tax paid	(92,845)	(23,295)	(106,068)	(42,719)
Net cash flows from/(used in) operating activities	487,280	74,660	559,494	(404,710)

	GROUP		GROUP	
	2Q2017	2Q2016	1H2017	1H2016
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(1,311)	(2,414)	(2,074)	(2,426)
Proceeds from disposal of property, plant and equipment	1,823	–	1,852	–
Interest received	29,685	11,198	32,785	13,990
Expenditure on intangible assets	223	(742)	(574)	(991)
Purchase of quoted equity investment	–	(23,130)	(7,908)	(27,273)
Proceed from disposal of quoted equity investment	–	23,296	6,012	23,296
Net cash flows from investing activities	30,420	8,208	30,093	6,596
Cash flows from financing activities:				
Decrease in restricted cash	14,232	95,877	3,852	130,716
Repayment of finance leases	(19)	(25)	(49)	(118)
Interest paid	(74,083)	(59,053)	(129,146)	(110,129)
Repayment of bank borrowings	(1,346,489)	(427,240)	(1,734,092)	(489,875)
Proceeds from issuance of new shares by a subsidiary on its initial public offering	–	–	–	34,718
Payment of listing expenses	–	(10,300)	–	(16,342)
Proceeds from bank borrowings	943,788	421,105	1,072,228	1,355,988
Net cash flows (used in)/from financing activities	(462,571)	20,364	(787,207)	904,958
Net increase/(decrease) in cash and cash equivalents	55,129	103,232	(197,620)	506,844
Cash and cash equivalents at the beginning of financial year/period	543,619	709,403	795,829	305,595
Effects of exchange rate changes on opening balances of cash and cash equivalents	(3)	–	536	196
Cash and cash equivalents in cash flow statement	598,745	812,635	598,745	812,635
Additional information:				
Cash and cash equivalents	886,676	1,256,980	886,676	1,256,980
Less: restricted cash	(283,498)	(444,345)	(283,498)	(444,345)
Less: bank overdrafts	(4,433)	–	(4,433)	–
Total cash and cash equivalents in cash flow statement	598,745	812,635	598,745	812,635

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

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

GROUP	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Statutory and other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2017	359,700	(59,669)	(550)	(16,264)	91,000	827,126	1,201,343	177,822	1,379,165
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	1,209	1,209	7,088	8,297
Other comprehensive income									
Foreign currency translation differences – foreign operations	-	-	-	5,646	-	-	5,646	-	5,646
Total other comprehensive income	-	-	-	5,646	-	-	5,646	-	5,646
Total comprehensive income for the period	-	-	-	5,646	-	1,209	6,855	7,088	13,943
Contributions by and distributions to owners									
Transfer to statutory reserves	-	-	-	-	1,986	(1,986)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	1,986	(1,986)	-	-	-
Total transactions with owners									
	-	-	-	-	1,986	(1,986)	-	-	-
At 31 March 2017	359,700	(59,669)	(550)	(10,618)	92,986	826,349	1,208,198	184,910	1,393,108

(Unaudited)

GROUP	←----- Attributable to owners of the Company ----->																										
	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Statutory and other reserve	Retained earnings	Total	Non-controlling interests	Total equity																		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000																		
At 1 April 2017	359,700	(59,669)	(550)	(10,618)	92,986	826,349	1,208,198	184,910	1,393,108																		
Total comprehensive income/(loss) for the period																											
(Loss)/Profit for the period										-	-	-	-	-	(15,158)	(15,158)	631	(14,527)									
Other comprehensive loss																											
Foreign currency translation differences – foreign operations																			-	-	-	(9,613)	-	-	(9,613)	-	(9,613)
Total other comprehensive loss																			-	-	-	(9,613)	-	-	(9,613)	-	(9,613)
Total comprehensive (loss)/income for the period	-	-	-	(9,613)	-	(15,158)	(24,771)	631	(24,140)																		
Contributions by and distributions to owners																											
Transfer to statutory reserves										-	-	-	-	55,716	(55,716)	-	-	-									
Total contributions by and distributions to owners	-	-	-	-	55,716	(55,716)	-	-	-																		
Total transactions with owners	-	-	-	-	55,716	(55,716)	-	-	-																		
At 30 June 2017	359,700	(59,669)	(550)	(20,231)	148,702	755,475	1,183,427	185,541	1,368,968																		

(Unaudited)

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

GROUP	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Statutory and other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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/(loss) 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 loss	-	-	-	(2,624)	-	-	(2,624)	-	(2,624)
Total comprehensive (loss)/income 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)	-	-	-
Issuance of new ordinary shares by a subsidiary	-	-	-	-	-	-	-	25,830	25,830
Total contributions by and distributions to owners	-	-	-	-	3,327	(3,327)	-	25,830	25,830
Total transactions with owners	-	-	-	-	3,327	(3,327)	-	25,830	25,830
At 31 March 2016	359,700	(59,669)	(550)	(14,859)	83,954	777,302	1,145,878	164,130	1,310,008

(Unaudited)

GROUP	←----- Attributable to owners of the Company ----->								
	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Statutory and other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2016	359,700	(59,669)	(550)	(14,859)	83,954	777,302	1,145,878	164,130	1,310,008
Total comprehensive income/(loss) for the period									
Profit for the period	-	-	-	-	-	19,547	19,547	14,602	34,149
Other comprehensive loss									
Foreign currency translation differences – foreign operations	-	-	-	(3,447)	-	-	(3,447)	-	(3,447)
Total other comprehensive loss	-	-	-	(3,447)	-	-	(3,447)	-	(3,447)
Total comprehensive (loss)/income for the period	-	-	-	(3,447)	-	19,547	16,100	14,602	30,702
Contributions by and distributions to owners									
Transfer to statutory reserves	-	-	-	-	3,545	(3,545)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	3,545	(3,545)	-	-	-
Total transactions with owners	-	-	-	-	3,545	(3,545)	-	-	-
At 30 June 2016	359,700	(59,669)	(550)	(18,306)	87,499	793,304	1,161,978	178,732	1,340,710

COMPANY	(Unaudited)				
	◀ - Attributable to owners of the Company - ▶				
	Share capital RMB'000	Accumulated losses RMB'000	Foreign currency translation reserve RMB'000	Employee share option reserve RMB'000	Total equity RMB'000
Balance as at 1 January 2017	1,737,554	(96,631)	6,915	582	1,648,420
Total comprehensive loss for the period					
Loss for the period	-	(1,889)	-	-	(1,889)
Other comprehensive loss					
Foreign currency translation differences – foreign operations	-	-	(335)	-	(335)
Total other comprehensive loss	-	-	(335)	-	(335)
Total comprehensive loss	-	(1,889)	(335)	-	(2,224)
Balance as at 31 March 2017	1,737,554	(98,520)	6,580	582	1,646,196
Total comprehensive (loss)/income for the period					
Loss for the period	-	(2,344)	-	-	(2,344)
Other comprehensive income					
Foreign currency translation differences – foreign operations	-	-	21	-	21
Total other comprehensive income	-	-	21	-	21
Total comprehensive (loss)/income	-	(2,344)	21	-	(2,323)
Balance as at 30 June 2017	1,737,554	(100,864)	6,601	582	1,643,873

(Unaudited)					
◀ - 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	Total equity RMB'000
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	1,737,554	(82,786)	7,052	582	1,662,402
Total comprehensive loss for the period					
Loss for the period	-	(9,804)	-	-	(9,804)
Other comprehensive loss					
Foreign currency translation differences – foreign operations	-	-	(46)	-	(46)
Total other comprehensive loss	-	-	(46)	-	(46)
Total comprehensive loss	-	(9,804)	(46)	-	(9,850)
Balance as at 30 June 2016	1,737,554	(92,590)	7,006	582	1,652,552

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Weiyee Holdings Limited is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 100H Pasir Panjang Road, #01-01, OC@ Pasir Panjang, Singapore 118524. The Company's shares are 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 condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2017 comprise of 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 ("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 2016.

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 2017, 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 2017.

The Company's functional currency is the Singapore Dollar. As the Group's operations are principally conducted in the 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 are unaudited and have not been reviewed by the auditors, but have 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:

Business Segments	Six Months Ended 30 June (unaudited)							
	Development properties		Housing construction		Clean room equipment and air diffusion products		Per unaudited financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:								
External customers	569,362	363,873	-	182	33,928	46,801	603,290	410,856
Segments results	17,116	106,972	-	(6,475)	(3,573)	(11,467)	13,543	89,030
Interest income	31,941	22,509	-	967	626	400	32,567	23,876
Finance costs	(27,478)	(18,412)	-	(15)	(606)	(319)	(28,084)	(18,746)
Reportable segment profit before taxation							18,026	94,160
Taxation							(34,426)	(48,510)
Share of profit/(loss) of equity-accounted investees							10,170	(2,991)
Profit attributable to non controlling interests							(7,719)	(14,633)
(Loss)/Profit attributable to owners of the Group							(13,949)	28,026
Reportable segment assets	5,880,609	3,058,111	-	2,446,333	103,407	377,864	5,984,016	5,882,308
Reportable segment liabilities	2,152,823	943,206	-	319,916	35,092	102,194	2,187,915	1,365,316
Loans and borrowings	2,422,109	1,526,735	-	1,428,960	5,024	174,048	2,427,133	3,129,743
Total liabilities							4,615,048	4,495,059
Other segment information								
Depreciation of property, plant and equipment	1,904	1,590	-	136	693	915	2,597	2,641
Amortisation of intangible assets	44	79	-	3	505	419	549	501

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 and certain non-current assets information regarding the Group's geographical segments as at and for the six months period ended 30 June 2017 and 30 June 2016.

Geographical segments	PRC	Singapore	Other	Total
	RMB'000	RMB'000	Countries RMB'000	RMB'000
	(Unaudited)			
30-Jun-17				
Revenue	540,711	14,265	48,314	603,290
Non current assets	1,029,075	17,264	18,608	1,064,947
30-Jun-16				
Revenue	388,099	19,256	3,501	410,856
Non current assets	666,944	32,441	20,459	719,844

4. Other income

	GROUP	
	1H2017 RMB'000 (Unaudited)	1H2016 RMB'000 (Unaudited)
Government grants	–	50
Rental income	1,697	614
Compensation income - withdrawal of a joint development project	–	30,600
Gain on disposal of quoted equity investment	166	233
Gain on disposal of property, plant and equipment	643	–
Gain on disposal of subsidiary	29	–
Others	615	674
	3,150	32,171

5. Finance income/(expenses), net

	GROUP	
	1H2017 RMB'000 (Unaudited)	1H2016 RMB'000 (Unaudited)
Interest income	32,567	23,876
Interest expenses	(122,707)	(107,807)
Bank charges and others	(6,440)	(2,315)
Finance expenses, net	(96,580)	(86,246)
Finance costs capitalised in development properties	101,063	91,376
Net finance income recognised in profit or loss	4,483	5,130

6. Taxation

	GROUP	
	1H2017 RMB'000 (Unaudited)	1H2016 RMB'000 (Unaudited)
Current tax expense		
- Current period	(19,626)	(32,165)
	(19,626)	(32,165)
Deferred tax expense		
- Origination and reversal of temporary differences	(363)	(795)
- Withholding tax on the profits of the Group's PRC subsidiaries	(4,892)	(5,394)
	(5,255)	(6,189)
Land appreciation tax expense		
- Land appreciation tax	(9,545)	(10,156)
	(9,545)	(10,156)
Taxation	(34,426)	(48,510)

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.

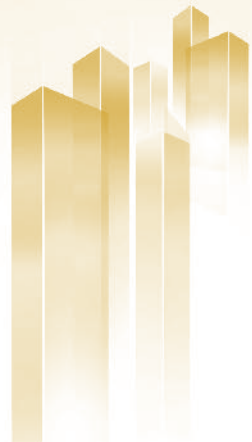
Pursuant to a PRC Enterprise Income Tax Law promulgated on 16 March 2007, the enterprise income tax for both domestic and foreign-invested enterprises has been unified at 25% effective from 1 January 2008.

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.

Certain subsidiaries within the Group are paying corporate income tax on a deemed tax basis as agreed with the local tax authorities. The tax obligations are determined by applying the corporate income tax rate on the deemed profit generated. The deemed profit generated is calculated based on a deemed profit rate on the revenue generated by the subsidiaries.

Land appreciation tax ("LAT") is levied on properties in the PRC developed for sale by the Group at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds from the sale of properties less deductible expenditures which include lease charges of land use rights, borrowing costs and all property development expenditures.

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.



7. (Loss)/Profit for the period

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

	GROUP			GROUP		
	2Q2017	2Q2016	% change	1H2017	1H2016	% change
	RMB'000	RMB'000	+/(−)	RMB'000	RMB'000	+/(−)
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Profit before taxation is stated after charging/(crediting):						
Amortisation of intangible assets	268	252	6%	549	501	10%
Depreciation of property, plant and equipment	1,307	1,667	−22%	2,597	2,641	−2%
Interest income	(6,955)	(14,810)	−53%	(32,567)	(23,876)	36%
Finance costs	15,470	7,882	96%	28,084	18,747	50%
Gain on disposal of subsidiary	(29)	–	−100%	(29)	–	−100%
Gain on disposal of quoted equity investments	–	(233)	−100%	(166)	(233)	100%
Fair value loss on quoted investments	293	621	−53%	782	710	10%
Property, plant and equipment written off	–	–	n.m	20	–	100%
Gain on disposal of property, plant and equipment	(626)	–	−100%	(643)	–	−100%
Listing expenses	–	10,300	−100%	–	16,342	−100%

Note:

n.m: Not meaningful

8. Property, plant and equipment

During the period, the Group spent approximately RMB2.1 million (1H2016: RMB2.4 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 (2016: 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:

	Gross 30 June 2017 RMB'000 (Unaudited)	Impairment losses 30 June 2017 RMB'000 (Unaudited)	Gross 31 December 2016 RMB'000 (Audited)	Impairment losses 31 December 2016 RMB'000 (Audited)
GROUP				
Neither past due nor impaired	82,698	-	86,390	-
Past due 1 – 30 days	3,224	-	4,958	-
Past due 31 – 60 days	2,290	-	2,058	-
Past due 61 – 90 days	1,716	-	11,862	-
Past due more than 90 days	13,208	-	2,788	-
	103,136	-	108,056	-

Trade receivables that are not past due and not impaired

As at 30 June 2017, included in the trade receivables attributed to the Group's development property operations are amounts of RMB 22,239,000 and RMB 21,974,000 (2016: RMB 30,089,000 and RMB 22,130,000) 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 2017, included in receivables neither past due nor impaired is an amount of RMB 8,099,000 (2016: RMB 8,099,000) from a buyer where the repayment date has been further extended to 31 October 2017 in financial year ended 31 December 2016 as agreed between both parties.

Trade receivables that are past due but not impaired

As at 30 June 2017, the Group had trade receivables amounting to RMB 20,438,000 (2016: RMB 13,356,000) that were past due but not impaired. Included in these trade receivables are amounts of RMB 17,477,000 and RMB 2,961,000 (2016: RMB 9,834,000 and RMB 3,552,000) 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 recognised in respect of trade receivables for the six months ended 30 June 2017 (2016: Nil).

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 2017	31 December 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Not past due	362,095	348,795
Past due 1 – 30 days	2,569	1,337
Past due 31 – 60 days	3,884	657
Past due 61 – 90 days	794	419
Past due more than 90 days	5,476	31,993
	374,818	383,201

11. Share capital

	GROUP	COMPANY	
	Share Capital RMB'000	No of shares issued	Share Capital RMB'000
	(Unaudited)		
Issued and fully paid:			
As at 1 January and 30 June 2017	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.

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

At 30 June 2017, there were no share options issued by the Company.

12. Loans and borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)	(Unaudited)	(Audited)	(Audited)
1,599,872	108	1,851,202	111

Amount repayable after one year

As at 30 June 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)	(Unaudited)	(Audited)	(Audited)
827,000	153	1,232,588	19

Details of any collateral

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

- (i) Legal mortgage of the development properties, investment properties, property plant and equipment of certain Group entities.
- (ii) Corporate guarantee from the third parties.

The Group adopts a prudent treasury policy with all financing and treasury activities being managed and controlled at its corporate head office.

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

The carrying amounts of bank and other borrowings are denominated in the following currencies:

	30 June 2017	31 December 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Renminbi	2,234,931	2,914,744
Singapore Dollars	187,178	168,163
Ringgit Malaysia	5,024	1,013
	2,427,133	3,083,920

13. Dividend

The Board did not declare or recommend interim dividend for the six months ended 30 June 2017 (2016: S\$ nil).

14. Earnings per share

	GROUP		GROUP	
	2nd Quarter ended		6 Months ended	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/Profit attributable to owners of the Company (RMB'000)	(15,158)	19,547	(13,949)	28,026
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)	(7.73)	9.97	(7.11)	14.29
(ii) On a fully diluted basis (RMB cents)	(7.73)	9.97	(7.11)	14.29

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 2017 and 30 June 2016.

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-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net assets attributable to owners of the Company (RMB'000)	1,183,427	1,201,343	1,643,873	1,648,420
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)	6.03	6.13	8.38	8.40

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 2017	31 December 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Development expenditures authorised and contracted for	1,296,122	540,331

17. Contingent liabilities

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

	GROUP	
	30 June 2017	31 December 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Guarantees given to banks in connection with banking facilities granted to third parties	710,710	1,161,827

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 2017	31 December 2016
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Loans and borrowings	2,427,133	3,083,920
Less: Cash and cash equivalents	(886,676)	(1,083,179)
Net debt	1,540,457	2,000,741
Equity attributable to owners of the Company	1,183,427	1,201,343
Gearing ratio	130%	167%

19. Share options

As at 30 June 2017, Company does not have any employee share option scheme.

20. Significant related party transactions

For the purposes of this report, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the interim report, the following significant transactions between the Group and related parties took place during the period on terms agreed between the parties:

(i) Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considered the directors of the Company and those of its subsidiaries as key management personnel.

	GROUP	
	30 June 2017	30 June 2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Directors' fees		
- directors of the Company	479	428
Salaries, representing total compensation to key management personnel	2,331	2,792
PRC statutory welfare fund	62	85
CPF and the defined contributions	86	97
	2,958	3,402
Comprises amounts paid/payable to:		
- directors of the Company	2,289	2,073
- other key management personnel	669	1,329
	2,958	3,402

(ii) Sale and purchase of goods and services

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating decisions of those entities.

A number of these parties transacted with the Group during the period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably to be available, or similar to third party entities and were on an arm's length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

	GROUP	
	30 June 2017	30 June 2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rendering of services by director of the Company	-	15

(iii) Lease of offices from the directors and/or their associates

	GROUP	
	30 June 2017	30 June 2016
	RMB'000	RMB'000
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Lease of offices from the directors and/or associates	-	211

Henan Weiye Construction Development Group Co., Ltd. ("Henan Weiye") and Jinwei (Henan) Trading Limited Company ("Jinwei (Henan)") leases office space at Ru Guo Ai (如果 · 愛) from Zhang Jianwei and his associates. Details of the leases are set out as follows:

- Henan Weiye entered into a lease agreement with Zhang Lihong dated 1 January 2015 to lease a property unit covering an area of approximately 177.7 square metres for 1 year commencing from 1 January 2015 at a monthly rate of RMB38.2 per square metre. The lease agreement was renewed for an additional 12 months commencing from 1 January 2016 and ended on 31 December 2016 at same rental.
- Jinwei (Henan) entered into a lease agreement with Zhang Jianwei to lease a property unit covering an area of approximately 265.8 square metres for 1 year commencing from 6 January 2015 at a monthly rate of RMB38.2 per square metre. The lease agreement was renewed for an additional 12 months commencing from 7 January 2016 and ended on 6 January 2017 at same rental.
- Jinwei (Henan) entered into a lease agreement with Zhang Peihong to lease a property unit covering an area of approximately 219.6 square metres for 1 year commencing from 6 January 2015 at a monthly rate of RMB38.2 per square metre. The lease agreement was renewed for an additional 12 months commencing from 7 January 2016 and ended on 6 January 2017 at same rental.
- Jinwei (Henan) entered into a lease agreement with Yang Kai to lease a property unit covering an area of approximately 255.8 square metres for 1 year commencing from 6 January 2015 at a monthly rate of RMB38.2 per square metre. The lease agreement was renewed for an additional 12 months commencing from 7 January 2016 and ended on 6 January 2017 at same rental.



WEIYE HOLDINGS LIMITED
偉業控股有限公司