WEIYE HOLDINGS LIMITED

偉業控股有限公司*

(Singapore Company Registration Number: 198402850E)

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1570)

(Singapore Stock Code: BMA)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2018

This overseas regulatory announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This results announcement is made in accordance to Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"). This results announcement contains financial information based on Singapore Financial Reporting Standards and have not been reviewed by auditors. Shareholders and public investors should be cautious trading in shares of the operating company.

By order of the Board
WEIYE HOLDINGS LIMITED
Zhang Wei
Executive Chairman and Chief Executive Officer

Hong Kong, 14 May 2018

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

* *For identification purposes only*

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	1Q2018 RMB'000	1Q2017 RMB'000 Restated	% change +/(-)
Revenue			
- Development properties	185,574	129,800	43%
- Equipment manufacturing	13,633	12,575	8%
	199,207	142,375	
Cost of sales			
- Development properties	(107,229)	(79,801)	34%
- Equipment manufacturing	(8,479)	(7,597)	12%
	(115,708)	(87,398)	
Gross profit	83,499	54,977	52%
Other income	492	431	14%
Selling and distribution expenses	(10,057)	(6,669)	51%
Administrative expenses	(34,195)	(31,068)	10%
Other operating expenses	(6,543)	(90)	7170%
Results from operations	33,196	17,581	
Net finance income	755	12,998	-94%
Share of profit of joint ventures (net of tax)	-	1	-100%
Profit before taxation	33,951	30,580	
Income tax expenses	(26,492)	(20,522)	29%
Profit for the period	7,459	10,058	
Profit attributable to:			
Owners of the Company	7,053	2,970	
Non-controlling interests	406	7,088	
	7,459	10,058	

Note:
n.m: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	GROUP		
	1Q2018 RMB'000	1Q2017 RMB'000 Restated	% change +/(-)
Profit for the period	7,459	10,058	
Other comprehensive income			
Foreign currency translation differences - foreign operations	3,401	5,646	-40%
Total other comprehensive income for the period, net of tax	3,401	5,646	
Total comprehensive income for the period	10,860	15,704	
Total comprehensive income attributable to:			
Owners of the Company	10,454	8,616	
Non-controlling interests	406	7,088	
	10,860	15,704	

Note:
n.m: Not meaningful

Profit before taxation is stated after charging/(crediting):	GROUP		
	1Q2018 RMB'000	1Q2017 RMB'000	% change +/(-)
Amortisation of intangible assets	170	281	-40%
Depreciation of property, plant and equipment	1,446	2,602	-44%
Interest income	(5,793)	(25,612)	-77%
Finance costs	5,038	12,614	-60%
Gain on disposal of other investments	-	(166)	-100%
Fair value loss on other investments	298	489	-39%
Impairment loss on other investments	3,222	-	100%
Impairment loss on trade receivables and contract assets	2,895	-	100%
Property, plant and equipment written off	176	20	780%
Gain on disposal of property, plant and equipment	-	(17)	-100%

Note:
n.m: Not meaningful

1(b) A Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-18	31-Dec-17 (Restated)	31-Mar-18	31-Dec-17
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	55,482	55,379	-	-
Investments in subsidiaries	-	-	1,669,975	1,669,975
Investment in joint venture	403,144	403,144	-	-
Investment properties	473,200	473,200	-	-
Amount due from non-controlling interests (non-trade)	99,160	99,160	-	-
Amount due from a joint venture partner (non-trade)	131,741	128,700	-	-
Intangible assets	4,200	3,726	-	-
Deferred tax assets	9,926	10,471	-	-
	1,176,853	1,173,780	1,669,975	1,669,975
Current assets				
Development properties	2,665,831	2,656,168	-	-
Inventories	20,762	17,629	-	-
Trade and other receivables	961,363	683,208	202,227	181,076
Contract assets	769,677	771,860	-	-
Amount due from joint venture (non-trade)	22,351	21,926	-	-
Prepaid tax	178,540	141,091	-	-
Other investments	-	6,520	-	-
Cash and cash equivalents	678,545	803,904	8,658	3,350
	5,297,069	5,102,306	210,885	184,426
Current liabilities				
Trade and other payables	603,945	609,085	31,651	32,385
Contract liabilities	1,310,636	1,230,131	-	-
Amount due to joint venture (non-trade)	296,480	282,980	-	-
Amount due to minority shareholder	191,352	184,119	-	-
Loans and borrowings	1,277,687	1,117,101	-	-
Finance lease liabilities	35	54	-	-
Income tax payable	180,336	194,789	-	-
	3,860,471	3,618,259	31,651	32,385
Net current assets	1,436,598	1,484,047	179,234	152,041
Non-current liabilities				
Finance lease liabilities	129	137	-	-
Loans and borrowings	815,634	878,188	215,931	185,366
Deferred tax liabilities	264,600	257,274	-	-
	1,080,363	1,135,599	215,931	185,366
Net assets	1,533,088	1,522,228	1,633,278	1,636,650
Equity				
Share capital	359,700	359,700	1,737,554	1,737,554
Reserves	972,489	962,035	(104,276)	(100,904)
Equity attributable to owners of the Company	1,332,189	1,321,735	1,633,278	1,636,650
Non-controlling interests	200,899	200,493	-	-
Total equity	1,533,088	1,522,228	1,633,278	1,636,650

1(b)(i) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 March 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
RMB '000	RMB '000	RMB '000	RMB '000
1,277,687	35	1,117,101	54

Amount repayable after one year

As at 31 March 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
RMB '000	RMB '000	RMB '000	RMB '000
815,634	129	878,188	137

Details of any collateral

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

(i) Legal mortgage of the assets of subsidiaries, property development units and investment properties;

(ii) Legal mortgage of the property, plant and equipment;

(iii) Corporate guarantee from the Company; and

(iv) Guarantee from third party.

1(c) A Consolidated Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	1Q2018 RMB'000	1Q2017 RMB'000 Restated
Cash flows from operating activities:		
Profit before taxation	33,951	30,580
Adjustments for:		
Amortisation of intangible assets	170	281
Depreciation of property, plant and equipment	1,446	2,602
Interest income	(5,793)	(25,612)
Finance costs	5,038	12,614
Gain on disposal of other investments	-	(166)
Property, plant and equipment written off	176	20
Gain on disposal of property, plant and	-	(17)
Net change in fair value on other investments	298	489
Impairment loss on other investments	3,222	-
Impairment loss on trade receivebles and contract assets	2,895	-
Share of profit of joint ventures (net of tax)	-	(1)
Effects of exchange rate changes	7,777	10,151
	49,180	30,941
Changes in working capital:		
Development properties	20,066	(323,859)
Inventories	(3,133)	(3,636)
Trade and other receivables	(284,221)	118,034
Contract liabilities	80,505	57,801
Trade and other payables	8,359	206,268
Cash (used in)/generated from operations	(129,244)	85,549
Income tax paid	(70,523)	(13,223)
Net cash (used in)/generated from operating activities	(199,767)	72,326
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,406)	(763)
Proceeds from disposal of property, plant and equipment	-	29
Interest received	7,680	3,100
Acquisition of intangible assets	(1,040)	(797)
Purchase of other investments	-	(7,908)
Proceeds from disposal of other investments	3,000	6,012
Net cash generated from/(used in) investing activities	8,234	(327)
Cash flows from financing activities:		
Amount due to non-controlling interests (non-trade)	7,233	-
Increase in restricted cash	(218,234)	(10,380)
Repayment of finance lease obligations	(28)	(142)
Interest paid	(34,766)	(55,063)
Repayment of loans and borrowings	(192,647)	(387,603)
Proceeds from loans and bank borrowings	286,757	128,440
Net cash used in financing activities	(151,685)	(324,748)
Net decrease in cash and cash equivalents	(343,218)	(252,749)
Cash and cash equivalents at the beginning of the period	654,052	795,829
Effect of exchange rate fluctuations on cash held	(464)	539
Cash and cash equivalents in cash flow statement	310,370	543,619
Additional information:		
Cash and cash equivalents	678,545	843,499
Less: Restricted cash	(364,380)	(297,730)
Less: Bank overdraft	(3,795)	(2,150)
Total cash and cash equivalents in cash flow statement	310,370	543,619

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share capital RMB'000	Merger reserve RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	<---Attributable to owners of the Company						--->		
At 1 January 2018, as previously stated	359,700	(59,669)	(550)	(17,205)	98,826	935,461	1,316,563	200,628	1,517,191
Impact of change in accounting policy	-	-	-	-	-	5,172	5,172	(135)	5,037
At 1 January 2018, as restated	359,700	(59,669)	(550)	(17,205)	98,826	940,633	1,321,735	200,493	1,522,228
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	7,053	7,053	406	7,459
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	3,401	-	-	3,401	-	3,401
Total other comprehensive income	-	-	-	3,401	-	-	3,401	-	3,401
Total comprehensive income for the period	-	-	-	3,401	-	7,053	10,454	406	10,860
Transfer from retained earnings to statutory reserves	-	-	-	-	2,186	(2,186)	-	-	-
At 31 March 2018	359,700	(59,669)	(550)	(13,804)	101,012	945,500	1,332,189	200,899	1,533,088

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

GROUP	Share capital RMB'000	Merger reserve RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2017, as previously stated	359,700	(59,669)	(550)	(16,264)	91,000	827,126	1,201,343	177,822	1,379,165
Impact of change in accounting policy	-	-	-	-	-	1,138	1,138	-	1,138
At 1 January 2017, as restated	359,700	(59,669)	(550)	(16,264)	91,000	828,264	1,202,481	177,822	1,380,303
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	2,970	2,970	7,088	10,058
Other comprehensive income									
Foreign currency translation differences for 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	-	2,970	8,616	7,088	15,704
Transfer from retained earnings to statutory reserves	-	-	-	-	1,986	(1,986)	-	-	-
At 31 March 2017	359,700	(59,669)	(550)	(10,618)	92,986	829,248	1,211,097	184,910	1,396,007

Company		<-----------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 for foreign operations	-	-	(335)	-	(335)
Total other comprehensive loss	-	-	(335)	-	(335)
Total comprehensive loss for the period	-	(1,889)	(335)	-	(2,224)
Balance as at 31 March 2017	1,737,554	(98,520)	6,580	582	1,646,196
Balance as at 1 January 2018	1,737,554	(108,385)	6,899	582	1,636,650
Total comprehensive loss for the period					
Loss for the period	-	(3,917)	-	-	(3,917)
Other comprehensive loss					
Foreign currency translation differences for foreign operations	-	-	545	-	545
Total other comprehensive loss	-	-	545	-	545
Total comprehensive loss for the period	-	(3,917)	545	-	(3,372)
Balance as at 31 March 2018	1,737,554	(112,302)	7,444	582	1,633,278

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Shares

	Company	
	No of shares issued	**Share Capital RMB'000**
Issued and fully paid:		
As at 1 January and 31 March 2018	196,133,152	1,737,554

Share Options

As at 31 March 2018, Company does not have any employee share option scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	GROUP	
	31-Mar-18	**31-Dec-17**
Total number of issued shares (in thousand)	196,133	196,133
Less: Treasury shares (in thousand)	-	-
Total number of issued shares excluding treasury shares (in thousand)	196,133	196,133

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

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

In December 2017, the Accounting Standards Council (ASC) issued the SFRS(I) which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, are required to apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group adopted SFRS(I) on 1 January 2018 and the first set of SFRS(I) annual financial statements is for the financial year ending 31 December 2018 (first SFRS(I) annual financial statements). Previously, the Group reported its financial information using the Financial Reporting Standards in Singapore (FRS).

The Condensed Consolidated Interim Financial statement is for part of the reporting period covered by the first SFRS(I) annual financial statements. The Group will prepare its first SFRS(I) annual financial statements by applying the SFRS(I)s that are effective on 1 January 2018. Any subsequent changes to SFRS(I)s that become effective after 31 March 2018 and are adopted by the Group for its first SFRS(I) annual financial statements could result in revisions to the Group's accounting policies and the interim financial information disclosed therein.

The Group has applied the requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) to prepare the interim financial information included in this announcement with 1 January 2017 as the date of transition.

In addition to the application of SFRS(I) 1, the Group concurrently adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s (collectively "new accounting standards") which are mandatorily effective for the financial year ending 31 December 2018.

- SFRS(I) 15 *Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016;*

- SFRS(I) 9 *Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016;*

- requirements in SFRS(I) 2 *Share-based Payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions issued by the IASB in June 2016;*

- requirements in SFRS(I) 1-40 *Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property issued by the IASB in December 2016;*

- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters issued by the IASB in December 2016;*

- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and*

- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The application of SFRS(I) 1 and the adoption of the above new accounting standards did not result in any significant impact to the comparative information for this reporting quarter, except as described below.

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 using the retrospective approach. As a result, the Group applied all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedient described below, and the comparative information presented is restated.

The Group used the practical expedient for completed contracts whereby completed contracts that began and ended within the same annual reporting period, as well as completed contracts at the beginning of the earliest period presented, were not restated.

Presentation of contract assets and liabilities

Under SFRS(I) 15, for each revenue contract entered into, the Group presents contract assets or contract liabilities in its statement of financial position when the Group has performed the transfer of goods/services to the customer and has established the right to payment for the transfer (contract asset), or the customer had paid a consideration in advance of the transfer of goods/services to the Group (contract liability).

Sales commissions

The Group previously recognised sales commission expenses paid to sales agents for securing property sales contracts for the Group as an expense when incurred. Under SFRS(I) 15, the Group capitalises such incremental costs as a contract cost asset as they are recoverable. The capitalised costs are amortised consistently with the pattern of revenue for the related property sales contract.

Significant financing component

The Group receives payments from customers for the sale of commercial and residential property units and construction of resettlement houses. Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the transfer of goods and services is 12 months or more, there may exist a significant financing component arising from payments made by the buyers.

The Group used the practical expedient that allows the Group need not adjust the promised amount of consideration for the effects of a significant financing component, where the Group expects, at contract inception, that the period between the expected transfer of the development property units and the timing of the pre-sale receipts is one year or less. In estimating the expected timing of transfer of the development property units to the buyers, the Group considered the plans for the respective development property projects, including the stage of construction of the property units and planned timing of property handover to the buyers. Based on management’s assessment, the period between the expected transfer of the development property units and the timing of pre-sale receipts for its development property projects is less than 12 months.

SFRS(I) 9 Financial Instruments

The Group elected to adopt the optional exemption in SFRS(I) 1 allowing it not to restate comparative information in its first SFRS(I) annual financial statements arising from the adoption of SFRS(I) 9 (i.e. comparative information applies FRS 39 Financial Instruments: Measurement and Recognition). Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 were recognised in retained earnings and reserves as at 1 January 2018. The comparative information in this Condensed Consolidated Interim Financial Information is not restated to comply with SFRS(I) 9 and is prepared in accordance with FRS 39.

Impairment

The Group previously recognised an impairment loss on trade and other receivables when there was objective evidence of impairment. Under SFRS(I) 9, loss allowances is measured using the expected credit loss model on either of the following bases:

- 12-month expected credit losses (ECLs). These are ECLs that result from possible default events within the 12 months after the reporting date; or

- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applied the simplified approach and recorded lifetime ECL on all trade and other receivables and contract assets arising from the application of SFRS(I) 15.

The impact on the Group's financial statements arising from the adoption of SFRS (I)15 and SFRS(I) 9 is as follows:

	Group	
	2018	2017
	RMB'000	RMB'000
	Impact on financial position	
	Increase/ (Decrease)	Increase/ (Decrease)
Consolidated statement of financial position as at 1 January		
Retained earnings	5,172	1,138
Non-controlling interests	(135)	-
Total equity	5,037	1,138
Consolidated statement of financial position as at 31 December		
Development properties	-	10,020
Contract assets	-	771,860
Trade and other receivables	-	(775,123)
Total assets	-	6,757
Deferred tax liabilities	-	1,720
Contract liabilities	-	1,230,131
Trade and other payables	-	(1,230,131)
Total liabilities	-	1,720
Net assets	-	5,037

	Group
	2017
	RMB'000
	Impact on profit or loss
	Increase/ (Decrease)
Consolidated statement of comprehensive income for the period ended 31 March	
Selling and distribution expenses	2,348
Tax expenses	(587)
Profits attributable to owners of the Company	1,761

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to item 4 above.

6 **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	GROUP	
	1st Quarter ended	
	31-Mar-18	31-Mar-17
		(Restated)
Profit attributable to owners of the Company (RMB'000)	7,053	2,970
Weighted average number of ordinary shares in issue (in thousands)	196,133	196,133
Earning per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	3.60	1.51
(ii) On a fully diluted basis (RMB cents)	3.60	1.51

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 March 2018 and 31 March 2017, respectively.

7 **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 at the end of the (a) current period reported on and (b) immediately preceding financial year**

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	
	31-Mar-18	31-Dec-17 (Restated)	31-Mar-18	31-Dec-17
Net assets attributable to owners of the Company (RMB'000)	1,332,189	1,321,735	1,633,278	1,636,650
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)	6.79	6.74	8.33	8.34

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

A. Review of Results of Operations

	GROUP		
	1Q2018 RMB'000	1Q2017 RMB'000	% change +/(-)
Property Development			
Sales	185,574	129,800	43%
Cost of sales	(107,229)	(79,801)	34%
Gross profit	78,345	49,999	
Gross Profit Margin	42%	39%	
Equipment Manufacturing			
Sales	13,633	12,575	8%
Cost of sales	(8,479)	(7,597)	12%
Gross profit	5,154	4,978	
Gross Profit Margin	38%	40%	

Revenue and Gross Profit Margin ("GP Margin")

Property development business

1Q2018 property development sales increased by 43% to approximately RMB185.6 million from the same period of last year. The higher sales in this quarter were mainly caused by higher total net saleable floor area ("NSFA") handed over to customers of approximately 23,862.0 sqm (1Q2017: 17,901.7 sqm) and higher carpark sales of approximately RMB29.3 million (1Q2017: RMB1.2 million).

Revenue from property development sales for 1Q2018 was mainly from the following projects, namely Weiye Shangcheng Yihaoyuan, Weiye Oxygen Cube A Phase I & II, Weiye Tiandao International，Weiye Central Park Phase III, IV & V and Weiye Costa Rhine, which contributed approximately RMB75.1 million, RMB48.8 million, RMB25.5 million, RMB20.0 million, and RMB16.0 million, respectively.

The GP margin of property development business for 1Q2018 was 3% higher than the same periods of last year mainly due to higher sales of car parking lots from Weiye Shangcheng Yihaoyuan, as well as sale of commercial shop houses from Weiye Central Park Phase IV which has higher average selling price.

Equipment business

The sales of equipment comprised mainly sales of clean room equipment, air purification, grilles, diffuser and marine damper products. Sales in 1Q2018 was 8% higher as compared to the same period of the last year mainly due to increase in sales of cleanroom equipment products in the quarter under review as a result of higher demand from the semiconductor industry.

The GP margin for manufacturing equipment business for 1Q2018 was 2% lower as compared with the same period of last year due mainly to lower sales of certain higher margin products such as marine damper and air purifier products in the current quarter.

Selling and distribution expenses

The higher selling and distribution expenses for 1Q2018 was mainly due to the increase in promotional activities for upcoming property development projects namely Weiye Meiyuewan, Weiye Yehai Shangcheng and Taihu Tiancui.

Administrative expenses

Administrative expenses for 1Q2018 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 Yangtze River Delta region during the period under review.

Other operating expenses

Other operating expenses for 1Q2018 was higher as compared to the same period of last year mainly due to impairment loss on other investment (quoted equity shares) of approximately RMB3.2 million and impairment loss on trade receivables and contract assets of approximately RMB2.9 million.

Net finance income

	GROUP		
	1Q2018 RMB'000	1Q2017 RMB'000	% change +/(-)
Finance expense	(5,038)	(12,267)	-59%
Finance income	5,793	25,265	-77%
Net finance income	755	12,998	

Finance expense for 1Q2018 was lower as compared to the same period of last year mainly due to saving in interest cost during the period under review. Finance income for 1Q2018 was lower as compared to same period of last year mainly due to interest income charged on the advance to Henan Meiyuan Co., Ltd ("Henan Meiyuan") in 1Q2017. Pursuant to the collaboration agreement with Henan Meiyuan, should the Group fail to successfully bid for the land use rights held by Henan Meiyuan, Henan Meiyuan shall return the cash advances to the Group together with interest accrued thereon. The land bid process for said land use rights was completed in 1Q2017 but the Group did not succeed in the bidding for the land use rights. Therefore, the Group recognised the accrued interest income in 1Q2017.

Taxation

The increase in taxation for 1Q2018 was mainly due to higher net profit before tax generated from certain subsidiaries that resulted in higher provision of corporate income tax of approximately RMB5.8 million during the period under review.

B. Review of Financial Position

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 RMB9.7 million was mainly due to the progressive construction works of Weiye Yehai Shangcheng, Taihu Tiancui, Weiye Meiyue Wan and Weiye Lanting Wan in the year under review, partially offset by sales of development properties for project Weiye Shangcheng Yihaoyuan, Weiye Oxygen Cube A Phase I & II, Weiye Tiandao International.

The increase in trade and other receivables of approximately RMB278.0 million was mainly due to prepayment of construction costs of approximately RMB250.0 million and loan to main contractors of approximately RMB25.5 million, of which the latter has been repaid in April 2018.

The decrease in other investment is due to the disposal of available for sale financial assets of RMB3.0 million and impairment loss on quoted equity investment of approximately RMB3.2 million.

The decrease in trade and other payables of approximately RMB5.1 million was mainly due to repayment of development cost to certain main contractors in the current quarter.

The increase in contract liabilities is mainly due to advance receipts from customers for presale of properties such as Weiye Shangcheng Erhaoyuan and Weiye Yehai Shangcheng in the current quarter.

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

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

Cash flow statement

Cash flows from operating activities before changes in working capital amounted to approximately RMB49.2 million. Cash used in working capital amounted to approximately RMB178.4 million mainly due to increase in trade and other receivables of approximately RMB284.2 million, partly offset by decrease in development properties of approximately RM20.1 million and increase in trade and other payables and contract liabilities of approximately RMB88.9 million. After changes in working capital and payment for income tax of approximately RMB70.5 million, net cash flow used in operating activities amounted to approximately RMB199.8 million.

Net cash generated from investing activities amounted to approximately RMB8.2 million mainly due to interest received of approximately RMB7.7 million and proceed from disposal of other investments of approximately RMB3.0 million, partly offset by expenditure on intangible assets of approximately RMB1.0 million and purchase of property, plant and equipment of approximately RMB1.4 million.

Net cash used in financing activities amounted to approximately RMB151.7 million mainly due to repayment of bank borrowings of approximately RMB192.6 million, interest payment of approximately RMB34.8 million and increase in restricted cash of approximately RMB218.2 million, partly offset by proceeds from bank borrowings of approximately RMB286.8 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results.

Not applicable.

10 A commentary at the date of this announcement of the 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 6.8% year-on-year ("y-o-y") gross domestic product ("GDP") growth in 1Q2018. The economy achieved a real domestic disposable income growth of 8.8% y-o-y (excluding price factor the increase was 6.6%), with an increase in total investments in its property market by 13.3% y-o-y in the same period. Overall, in the 1Q2018, the national economy maintained a steady development momentum with economic growth slightly rebounded.

Henan province, being the Group's primary market, recorded a GDP growth of 7.9% in the 1Q2018, being 1.1% higher than national level. Its total real estate investment grew 13.2% y-o-y, in which investment in residential houses increased by 13.6% and sales in commercial houses increased by 27.4%. Meanwhile, Hainan province, another region where the Group operates, recorded a GDP growth of 5.1% y-o-y in 1Q2018, but real estate sector experienced negative growth rate of 6.8%. Guangdong province Shenzhen city, another rapid growing region where the Group operates, reported a stable GDP growth of 8.1% y-o-y in 1Q2018, which was 1.3% higher than the national average. Huzhou city in Yangtze River Delta, a new region where the Group just entered late last year, reported a GDP growth of 8.3% y-o-y in 1Q2018. While majority of provinces demonstrating higher than National GDP growth, all of the three provinces have experienced a slowdown in certain economic indices, which is in line with the Chinese government's effort in stabilizing the property market. The existing property control measures currently in place are expected to continue in the short run, and the government's new public rental housing policies is expected to further affect the real estate market adversely. Therefore, the group believes that its property development business will face more challenges in the next 12 months.

11 Dividend

(a) Current Financial Period Reported On

Nil

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any existing general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

14 Negative confirmation pursuant to Rule 705(5) of the Listing Manual

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 1st quarter ended 31 March 2018 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On Behalf of the Board of Directors

Zhang Wei	Chen Zhiyong
Executive Chairman and Chief Executive Officer	Executive Director
14 May 2018	14 May 2018

This unaudited consolidated financial statements of the Group as at 31 March 2018 and for the quarter ended 31 March 2018 has not been reported on in accordance with the Singapore Code on Take-overs and Mergers. The auditor's or reporting accountant's report on this unaudited consolidated financial statements of the Group will be provided in an announcement to be released by the Company on such later date upon the completion of the review, on or before the despatch of the exit offer letter and the delisting circular.

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement (the omission of which would render any statement in this announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources including, without limitation, the announcement related to the voluntary delisting of the shares of the Company, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.