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WEIYE HOLDINGS LIMITED

偉業控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1570)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF 51% EQUITY INTEREST IN THE TARGET COMPANY

THE CAPITAL INCREASE AGREEMENT

The Board hereby announces that on 12 December 2019, Zhengzhou Weizhiyun, (an indirect wholly-owned subsidiary of the Company) entered into the Capital Increase Agreement with Henan Shuiyun and the Target Company (Xincai Shuiyun Caizhoucheng Property Co. Ltd.*), pursuant to which Zhengzhou Weizhiyun agreed to subscribe for the increased registered capital of RMB10,410,000 and share premium of RMB24,590,000 of the Target Company. Upon completion of the abovementioned proposed capital injection contemplated under the Capital Increase Agreement, the Target Company will be held as to 51% by Zhengzhou Weizhiyun and 49% by Henan Shuiyun, respectively.

Upon completion of the increase in the registered capital of the Target Company, Zhengzhou Weizhiyun will hold a 51% equity interests in the Target Company and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules exceed(s) 5% but all applicable percentage ratios are less than 25%, the subscription of the increased registered capital constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board hereby announces that on 12 December 2019, Zhengzhou Weizhiyun (an indirect wholly-owned subsidiary of the Company) entered into the Capital Increase Agreement with Henan Shuiyun and the Target Company (Xincai Shuiyun Caizhoucheng Property Co. Ltd.*), pursuant to which Zhengzhou Weizhiyun agreed to subscribe for the increased registered capital of RMB10,410,000 and share premium of RMB24,590,000 of the Target Company. Upon completion of the abovementioned proposed transaction, Zhengzhou Weizhiyun and Henan Shuiyun will hold 51% and 49% of the equity interests in the Target Company respectively.

THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out below:

Date: 12 December 2019

Parties: (1) Zhengzhou Weizhiyun
(2) Henan Shuiyun
(3) the Target Company

Subject matter

Pursuant to the Capital Increase Agreement, Zhengzhou Weizhiyun agreed to subscribe for the increased registered capital of RMB10,410,000 and share premium of RMB24,590,000 of the Target Company.

Prior to entering into the Capital Increase Agreement, Henan Shuiyun directly held the entire equity interests in the Target Company. Upon completion of the abovementioned proposed capital injection contemplated under the Capital Increase Agreement, the Target Company will be held as to 51% by Zhengzhou Weizhiyun and 49% by Henan Shuiyun, respectively.

Consideration

Pursuant to the Capital Increase Agreement, the total consideration comprises the subscription price for the increased registered capital and share premium of the Target Company in the amount of RMB35,000,000. As at the date of this announcement, the subscription price for the increased registered capital and share premium of the Target Company in the amount of RMB35,000,000 had not been settled. Zhengzhou Weizhiyun will settle the subscription consideration in due course pursuant to applicable laws and regulations.

The total consideration pursuant to the Capital Increase Agreement was reached on normal commercial terms and after arm's length negotiations amongst the parties thereto, with reference to, among other things, (i) the prevailing market prices of the comparable land parcels and residential properties in the proximity in the recent years; and (ii) the anticipated economic benefits that would be brought to the Group by the proposed investment in the Target Company.

The Group intends to finance the aforementioned consideration with the internal resources of the Group and external financings.

Payment terms

Within two business days after 12 December 2019, Zhengzhou Weizhiyun and Henan Shuiyun shall establish a commonly managed bank account in the name of the Target Company. The guarantee deposit amount of RMB10,000,000 shall be paid by Zhengzhou Weizhiyun to the commonly managed account within five business days after 12 December 2019. The remaining amount of RMB25,000,000 shall be transferred to the designated bank account of the Target Company after the completion of the registration of the increase in the registered capital of the Target Company as contemplated under the Capital Increase Agreement.

Completion

Pursuant to the Capital Increase Agreement, completion of the Capital Increase Agreement shall take place upon completion of the following matters:

- (i) the completion of all relevant procedures in relation to the increase in the registered capital of the Target Company and the registration of the increased registered capital of the Target Company to be held by Zhengzhou Weizhiyun; and
- (ii) the register of members, the articles of association and the business registration of the Target Company having stated the amount of equity interests to be held by Zhengzhou Weizhiyun.

Upon completion of the increase in the registered capital of the Target Company, Zhengzhou Weizhiyun will hold 51% equity interests in the Target Company and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established under the Laws of the PRC with limited liability and is principally engaged in property development. The principal assets of the Target Company are the land use rights located in Xincai City, Henan Province, the PRC, the details of which are as follows:

Zone H:

It is currently under development and has an aggregate construction GFA of approximately 25,246 sq.m. and saleable GFA of approximately 19,589 sq.m. As of the date of this announcement, the total saleable GFA unsold was 13,149 sq.m.

Zone B/K:

Aggregate construction GFA of approximately 177,977 sq.m. and saleable GFA of approximately 163,662 sq.m. Construction thereon has been completed. As of the date of this announcement, the total saleable GFA unsold was 7,026 sq.m.

FINANCIAL INFORMATION OF THE TARGET COMPANY

As of 31 October, 2019, the Target Company had an audited total asset value of approximately RMB742,856,000 and an audited net asset value of approximately RMB20,782,000. The audited net profit before taxation and after taxation of the Target Company were approximately RMB41,733,000 and RMB38,139,000 respectively for the period of ten months ended 31 October, 2019. The unaudited net loss before taxation and after taxation of the Target Company for the year ended 31 December 2017 were approximately RMB12,176,000 and RMB12,886,000 respectively. The unaudited net loss before taxation and after taxation of the Target Company for the year ended 31 December 2018 were both approximately RMB13,251,000.

INFORMATION OF HENAN SHUIYUN

Henan Shuiyun is a company established under the Laws of the PRC with limited liability and is principally engaged in property development.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Henan Shuiyun and its respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION OF THE GROUP

The principal activities of the Group are property development for residential and commercial properties in the PRC, and the manufacture and trading of heating, ventilation, air-conditioning, air purification and clean room equipment.

As at the date of this announcement, Zhengzhou Weizhiyun was an indirect wholly-owned subsidiary of the Company, which is principally engaged in commercial services business.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Company is a property developer in PRC, following the continuous steady development of the real estate market in the PRC, the Group believes that the Capital Increase Agreement represents an investment opportunity for the Group to further expand into the central China and will enhance the Group's position in the PRC real property market.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement and the proposed capital injection by Zhengzhou Weizhiyun contemplated under the Capital Increase Agreement were determined through arm's length negotiations amongst the parties to the Capital Increase Agreement and reached based on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules exceed(s) 5% but all applicable percentage ratios are less than 25%, the subscription of the increased registered capital constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “Board” | the board of Directors |
| “Capital Increase Agreement” | the capital increase and share expansion agreement dated 12 December 2019 entered into among Zhengzhou Weizhiyun, Henan Shuiyun and the Target Company in relation to the proposed capital injection by Zhengzhou Weizhiyun in the Target Company |
| “Company” | Weiye Holdings Limited, a company incorporated in Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1570) |
| “Director(s)” | director(s) of the Company |
| “GFA” | gross floor area |
| “Group” | the Company and its subsidiaries |
| “Henan Shuiyun” | Henan Shuiyun Ancient Town Property Development Co. Ltd.* (河南水韻古鎮房地產開發有限公司), a company established under the laws of the PRC with limited liability |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | shareholder(s) of the Company |
| “sq.m.” | square meter(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Xincai Shuiyun Caizhoucheng Property Co. Ltd.* (新蔡水韻蔡州城置業有限公司), a company established under the Laws of the PRC with limited liability and directly held as to 100% by Henan Shuiyun as at the date of this announcement |
| “Zhengzhou Weizhiyun” | Zhengzhou Weizhiyun Culture Communication Co. Ltd. (鄭州偉之韻文化傳播有限公司), a company established under the Laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “%” | per cent |

By Order of the Board
WEIYE HOLDINGS LIMITED
Zhang Wei

Executive Chairman and Chief Executive Officer

Hong Kong, 12 December 2019

As at the date of this announcement, the executive Directors are Zhang Wei and Chen Zhiyong; and the independent non-executive Directors are Liu Ning, Lam Ying Hung Andy and Dong Xincheng.

* For identification purpose only