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WEIYE HOLDINGS LIMITED

偉業控股有限公司*

(Singapore Company Registration No. 198402850E)

(Incorporated in the Republic of Singapore with limited liability)

(Stock Code: 1570)

CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE TO THE GROUP

THE ZHUOLIAN TRUST FINANCING

On 10 May 2019 (after trading hours), Henan Xingwei (and/or the Project Company) as borrower and CITC as lender entered into the Trust Financing Agreements, pursuant to which CITC conditionally agrees to finance the Project Company in the principal sum of not exceeding RMB830.0 million for a period of 24 months at an interest rate of 16% per annum, and in return, among others, Henan Xingwei agrees to transfer 49% of the registered capital of the Project Company to CITC as part of the collaterals, for Real Estate Development Project funding purpose.

Pursuant to the Trust Financing Agreements, such financing will be capitalised in stages and the principal sum of RMB830.0 million will be applied (1) as to RMB8.3 million for the contribution to the Trust Industry Protection Fund; (2) as to RMB50.0 million for the repayment of the Xingwei Trust Financing (as defined in the prospectus of the Company dated 29 March 2016); (3) as to RMB4.9 million for 49% of the registered capital of the Project Company; and (4) as to the remaining RMB766.8 million for the funding of the Real Estate Development Project.

The Zhuolian Trust Financing is secured by (1) a pledge by Henan Xingwei of its remaining 51% equity interest in the Project Company in favour of CITC; (2) a charge by the Project Company over the land use right of two pieces of project lands located in Zhengzhou City, Henan Province, the PRC in favour of CITC; and (3) the guarantees to be given by each of (i) the Company and its subsidiaries holding 100% equity interest in the Project Company (namely Hongji Weiye, Henan Weiye and Henan Xingwei), (ii) Mr. Zhang Wei (as the controlling shareholder of the Company), and (iii) Mr. Chen Zhiyong (as the Legal Representative and the substantial shareholder of the Company) together with his spouse.

Upon completion of the Zhuolian Trust Financing, the Project Company will become a 51% non-wholly owned subsidiary of the Group and its financial results will continue to be consolidated with that of the Group.

Upon full repayment of the loan under the Trust Financing Agreements (including all the principals and interest accrued thereon), CITC shall transfer the 49% equity interest in the Project Company back to the Group and the Project Company will become a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

Deemed disposal of 49% equity interest in the Project Company

As part of the Zhuolian Trust Financing, Henan Xingwei will transfer 49% of the equity interest in the Project Company to CITC and the Project Company will be owned as to 51% by Henan Xingwei and as to 49% by CITC. The equity interest of Henan Xingwei in the Project Company will decrease from 100% to 51% and such reduction shall constitute a deemed disposal under Rule 14.29 of the Listing Rules.

As none of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the deemed disposal as a result of the Zhuolian Trust Financing exceeds 5%, the deemed disposal does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules and is not subject to any reporting and announcement requirements under Chapter 14 of the Listing Rules.

Financial assistance provided by connected person at the subsidiary level

Following the acquisition of the 49% equity interest in the Project Company, CITC will become a connected person of the Company at subsidiary level and the provision of financial assistance with security by CITC to the Group under the Zhuolian Trust Financing shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

Given that CITC is a connected person of the Company at subsidiary level and that (i) the Board has approved the Zhuolian Trust Financing; and (ii) the independent non-executive Directors have confirmed that the terms of the Zhuolian Trust Financing are fair and reasonable, and Zhuolian Trust Financing is on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the connected transaction between the Group and CITC for the provision of financial assistance is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As Mr. Zhang Wei and Mr. Chen Zhiyong (together with his spouse) have given personal guarantees to secure the full performance of the obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements, Mr. Zhang Wei and Mr. Chen Zhiyong have abstained from voting on the board resolution of the Company approving the Trust Financing Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors have any material interest in the Trust Financing Agreements and the transactions contemplated thereunder and are required to abstain from voting on the relevant board resolution.

THE ZHUOLIAN TRUST FINANCING

Date: 10 May 2019 (after trading hours)

Borrower: Henan Xingwei, an indirect 100% wholly-owned subsidiary of the Company; and/or the Project Company

Lender: CITIC, an Independent Third Party

On 10 May 2019 (after trading hours), Henan Xingwei (and/or the Project Company) as borrower and CITIC as lender entered into the Trust Financing Agreements, pursuant to which CITIC conditionally agrees to finance the Project Company in the principal sum of not exceeding RMB830.0 million for a period of 24 months at an interest rate of 16% per annum, and in return, among others, Henan Xingwei agrees to transfer 49% of the registered capital of the Project Company to CITIC as part of the collaterals, for Real Estate Development Project funding purpose.

Pursuant to the Trust Financing Agreements, such financing will be capitalised in stages and the principal sum of RMB830.0 million will be applied (1) as to RMB8.3 million for the contribution to the Trust Industry Protection Fund; (2) as to RMB50.0 million for the repayment of the Xingwei Trust Financing (as defined in the prospectus of the Company dated 29 March 2016); (3) as to RMB4.9 million for 49% of the registered capital of the Project Company; and (4) as to the remaining RMB766.8 million for the funding of the Real Estate Development Project.

Deemed disposal of 49% equity interest in the Project Company

As part of the Zhuolian Trust Financing, Henan Xingwei will transfer 49% of the equity interest in the Project Company to CITIC. Upon completion of the Zhuolian Trust Financing, the Project Company will become a 51% non-wholly owned subsidiary of the Group and its financial results will continue to be consolidated with that of the Group.

Upon full repayment of the loan under the Trust Financing Agreements (including all the principals and interest accrued thereon), CITC shall transfer the 49% equity interest in the Project Company back to the Group and the Project Company will become a wholly-owned subsidiary of the Company. The Board is of the view that the purpose of the Zhuolian Trust Financing is solely for the funding of the Real Estate Development Project which falls within the Group's ordinary and usual course of business as property developer and that the deemed disposal of 49% of the equity interest in the Project Company shall be considered as part of the collateral under the Zhuolian Trust Financing in substance.

Security for full performance of obligations under the Trust Financing Agreements

The full performance of obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements is secured by the followings:

(1) *Pledge of 51% equity interest in the Project Company*

A pledge is executed by Henan Xingwei in favour of CITC in respect of its remaining 51% equity interest in the Project Company to secure the full performance of the obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements.

(2) *Charge over the land use right of two pieces of project lands located in Zhengzhou City, Henan Province, the PRC*

A charge is executed by the Project Company in favour of CITC over the land use right of two pieces of project lands located in Zhengzhou City, Henan Province, the PRC with a total area of approximately 75,455 sq. m. to secure the full performance of the obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements.

Registration of both the pledge and the charge will be made in compliance with the relevant applicable PRC laws and regulations and shall be released upon the full performance of the obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements.

Both the pledge and the charge will not involve any transfer of legal title or ownership of the 51% equity interest in the Project Company and land use right of the two pieces of project lands located in Zhengzhou City, Henan Province, the PRC at the time of the transaction. However, in the event that Henan Xingwei and/or the Project Company fail to perform their relevant obligations under the Trust Financing Agreements, CITC shall be entitled to enforce the pledge and/or the charge and this may result in the transfer of legal title or ownership of the 51% equity interest in the Project Company and/or the land use right of the two pieces of project lands located in Zhengzhou City, Henan Province, the PRC (as the case maybe).

(3) Guarantees given by the Group and key personnel

Pursuant to the Trust Financing Agreements, guarantees are given by each of (1) the Company and its subsidiaries holding 100% equity interest in the Project Company (namely Hongji Weiye, Henan Weiye and Henan Xingwei); (2) Mr. Zhang Wei (as the controlling shareholder of the Company); and (3) Mr. Chen Zhiyong (as the Legal Representative and the substantial shareholder of the Company) together with his spouse.

INFORMATION ON PARTIES TO THE TRUST FINANCING AGREEMENTS

The Company is an investment holding company principally engaged in real estate development and equipment manufacturing in the PRC and Asia Pacific. The Company operates through three main segments. The Property Development segment is engaged in the development and sales of both commercial and residential property units. The Housing Construction segment is involved in the construction of resettlement houses. The Equipment Manufacturing segment is engaged in the design and manufacture and trading of clean room equipment, heating, ventilation and air-conditioning (HVAC) products and purifiers and others.

The Project Company is a limited liability company established in the PRC in January 2019 and an indirect 100% wholly-owned subsidiary of the Company. As at the date of this announcement, the Project Company has a registered capital of RMB10.0 million and is directly wholly-owned by Henan Xingwei, which is an indirect 100% wholly-owned subsidiary of the Company.

CITC is a trust financing company and a financial institution which was established in accordance with the Company Law of the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CITC and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ZHUOLIAN TRUST FINANCING

The primary purpose of the Zhuolian Trust Financing is to provide financing for the Project Company to develop the Real Estate Development Project, which falls within the Group's ordinary and usual course of business as property developer.

The Real Estate Development Project "Weiye ShangChen Sanhaoyuan" is located in Jin Shui North District, Zhengzhou City, Henan Province, PRC, intersection between Xin Zhuang Road East and Jing Yi Road North, adjacent to the Long Hu Financial Center and Central Business District. Weiye ShangChen Sanhaoyuan is a high-rise residential development with a total Gross Floor Area of 67,526 sq.m.. The Company is of the view that the Real Estate Development Project is in line with the Group's strategy to strengthen its development in Henan province (and in Zhengzhou City in particular) and is in the interest of the Company and its Shareholders as a whole.

The Directors consider that the terms and conditions of the Trust Financing Agreements were arrived at after arm's length negotiations between the Group and CITC and that the collaterals requested by CITC are common for project financing for the Real Estate Development Project. The Group has made reasonable enquiries with other potential financiers and considers that the terms and conditions offered by CITC are more favourable than those offered by other financiers.

In relation to the pledge of 51% equity interest in the Project Company and the charge over the land use right over the two pieces of lands located in Zhengzhou City, Henan Province, the PRC as collaterals in particular, the value of the 51% equity interest in the Project Company and the two pieces of land amount to approximately RMB5.1 million and RMB720.0 million respectively. The aggregate value of the 51% equity interest in the Project Company and the two pieces of lands amounts to approximately RMB725.1 million, which accounts for approximately 87.36% of the loan in the amount of RMB830.0 million borrowed by the Group from CITC under the Trust Financing Agreements. Having considered the terms of the loan (in particular the size of the loan), the Directors consider that the value of assets pledged and charged is not disproportionate to the amount of money borrowed from CITC under the Trust Financing Agreements.

Moreover, both the pledge and the charge will not involve any transfer of legal title or ownership of the 51% equity interest in the Project Company and land use right of the two pieces of project lands located in Zhengzhou City, Henan Province, the PRC at the time of the transaction. CITC shall only be entitled to enforce the pledge and/or the charge which may result in the transfer of legal title or ownership of the 51% equity interest in the Project Company and/or the land use right of the two pieces of project lands (as the case maybe) in the event that Henan Xingwei and/or the Project Company fail to perform their relevant obligations under the Trust Financing Agreements.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Trust Financing Agreements are fair and reasonable and are on normal commercial terms or better and are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Deemed disposal of 49% equity interest in the Project Company

As part of the Zhuolian Trust Financing, the Project Company will transfer 49% of the registered capital of the Project Company to CITC and the Project Company will be owned as to 51% by Henan Xingwei and as to 49% by CITC. The equity interest of Henan Xingwei in the Project Company will decrease from 100% to 51% and such reduction shall constitute a deemed disposal under Rule 14.29 of the Listing Rules.

As none of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the deemed disposal as a result of the Zhuolian Trust Financing exceeds 5%, the deemed disposal does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules and is not subject to any reporting and announcement requirements under Chapter 14 of the Listing Rules.

Financial assistance provided by connected person at the subsidiary level

Following the acquisition of 49% equity interest in the Project Company, CITC will become a connected person of the Company at subsidiary level and the provision of financial assistance with security by CITC to the Group under the Zhuolian Trust Financing shall constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

Given that CITC is a connected person of the Company at subsidiary level and that (i) the Board has approved the Zhuolian Trust Financing; and (ii) the independent non-executive Directors have confirmed that the terms of the Zhuolian Trust Financing are fair and reasonable, and Zhuolian Trust Financing is on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the connected transaction between the Group and CITC for the provision of financial assistance is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As Mr. Zhang Wei and Mr. Chen Zhiyong (together with his spouse) have given personal guarantees to secure the full performance of the obligations by Henan Xingwei (and/or the Project Company) as borrower under the Trust Financing Agreements, Mr. Zhang Wei and Mr. Chen Zhiyong have abstained from voting on the board resolution of the Company approving the Trust Financing Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors have any material interest in the Trust Financing Agreements and the transactions contemplated thereunder and are required to abstain from voting on the relevant board resolution.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise.

“Board”	the Board of Directors
“CITC”	Chang’an International Trust Company Limited (長安國際信託股份有限公司), an Independent Third Party
“Company”	Weiye Holdings Limited, a company incorporated in Singapore with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Henan Weiye”	Henan Weiye Construction Development Group Company Limited (河南偉業建設開發集團有限公司), being a company established in the PRC and an indirect 100% wholly-owned subsidiary of the Company
“Henan Xingwei”	Henan Xingwei Property Company Limited (河南興偉置業有限公司), being a company established in the PRC and an indirect 100% wholly-owned subsidiary of the Company
“Hongji Weiye”	Hongji Weiye (Hainan) Non Movable Property Management Group Company Limited (宏基偉業(海南)不動產管理集團有限公司), being a company established in the PRC and an indirect 100% wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“Project Company”	Henan Xingwei Zhuolian Property Company Limited (河南興偉卓聯置業有限公司), being a company established in the PRC
“Real Estate Development Project”	the real estate development project of the Project Company
“Share(s)”	ordinary share(s) of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Trust Financing Agreements”	a series of agreements dated 10 May 2019 and entered into between Henan Xingwei (and/or the Project Company) as borrower and CITC as lender in relation to the Zhuolian Trust Financing
“Zhuolian Trust Financing”	the trust financing arrangement between Henan Xingwei (and/or the Project Company) as borrower and CITC as lender and other transactions contemplated under the Trust Financing Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 10 May 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 XinChen.

* *For identification purpose only*