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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)

### **VERY SUBSTANTIAL DISPOSAL IN RELATION TO PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN A SUBSIDIARY**

#### **THE PROPOSED DISPOSAL**

The Board is pleased to announced that on 29 October 2020 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser, the Vendor's Guarantor and the Target Company entered into the Equity Transfer Agreement pursuant to which the Vendor conditionally agreed to sell the Sale Equity, and the Purchaser conditionally agreed to purchase the Sale Equity at a Consideration of RMB975,429,918.49 (equivalent to approximately HK\$1,121,744,406.26), part of which will be used to repay the Loan and to settle the liabilities of the Target Company and other outstanding payables in respect of the Project.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Proposed Disposal as calculated under Rule 14.07 of the Listing Rules exceeds 75%, the Proposed Disposal constitutes a very substantial disposal for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

#### **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Equity Transfer Agreement and the transactions contemplated therein.

The Circular containing, among other things, (i) further details of the Proposed Disposal; (ii) other information as required by the Listing Rules; (iii) the valuation report of the Land; and (iv) a notice convening the EGM and the proxy form in respect of the EGM, is expected to be despatched to the Shareholders on or before 30 November 2020, as further time is required to prepare the information contained in the Circular.

**As completion of the Proposed Disposal is subject to the satisfaction of the conditions precedent which are more particularly described in the section headed “The Equity Transfer Agreement – Completion Conditions” of this announcement, and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## INTRODUCTION

The Board is pleased to announced that on 29 October 2020 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser, the Vendor’s Guarantor and the Target Company entered into the Equity Transfer Agreement pursuant to which the Vendor conditionally agreed to sell the Sale Equity, and the Purchaser conditionally agreed to purchase the Sale Equity at a Consideration of RMB975,429,918.49 (equivalent to approximately HK\$1,121,744,406.26), part of which will be used to repay the Loan and to settle the liabilities of the Target Company and other outstanding payables in respect of the Project.

## THE EQUITY TRANSFER AGREEMENT

Summarised below are the principal terms of the Equity Transfer Agreement:

Date: 29 October 2020

Parties:

- (i) the Purchaser (as purchaser);
- (ii) the Vendor, an indirect wholly-owned subsidiary of the Company (as vendor);
- (iii) the Vendor’s Guarantor, an indirect wholly-owned subsidiary of the Company (as the Vendor’s guarantor);
- (iv) the Target Company, an indirect wholly-owned subsidiary of the Company (as the target company)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

## Subject matter

Pursuant to the Equity Transfer Agreement, the Vendor shall dispose of the Sale Equity, representing the entire equity interest in the Target Company.

## Consideration

The Vendor agreed to sell the Sale Equity to the Purchaser, and the Purchaser agreed to purchase the Sale Equity at a Consideration of RMB975,429,918.49 (equivalent to approximately HK\$1,121,744,406.26), part of which will be used to repay the Loan and to settle the liabilities of the Target Company and other outstanding payables in respect of the Project. The Consideration shall be satisfied by the Purchaser in cash, and details of the foregoing are as follows:

- (a) within two business days after the date of execution of the Equity Transfer Agreement, the Purchaser shall pay RMB20,000,000 (equivalent to approximately HK\$23,000,000), being the Initial Deposit, to the Target Company, which shall then pay such amount to the account of the construction unit designated by the Vendor and such amount will be used to settle part of the Target Company's liabilities;
- (b) within three business days after the opening of the Escrow Account (which shall be opened by the Purchaser with the Bank within two business days after the date of the Equity Transfer Agreement, and the Vendor, the Purchaser and the Bank as the escrow agent shall enter into an escrow agreement in relation to the arrangements and management of the Escrow Account, which shall provide, among others, that neither the Vendor or the Purchaser may unilaterally request the Bank to transfer any of the funds deposited into the Escrow Account and the Bank shall not comply with any such request), the Purchaser shall deposit RMB700,000,000 (equivalent to approximately HK\$805,000,000) into the Escrow Account;
- (c) within three business days after the satisfaction and performance of the Interim Conditions, the Purchaser shall deposit RMB235,429,918.49 (equivalent to approximately HK\$270,744,406.26) into the Escrow Account;
- (d) within three business days after the payment by the Purchaser in accordance with paragraph (c) above, the Vendor shall procure the Bank to release the Equity Pledge and the Vendor and the Purchaser shall procure or provide such necessary assistance to the Bank to terminate the escrow arrangement for all funds deposited into the Escrow Account and to release such funds, being RMB935,429,918.49 (equivalent to approximately HK\$1,075,744,406.26) ("**Escrow Funds**"), in the following manner:
  - (i) such amount required to be paid to the Bank for the repayment of the Loan owed by the Vendor to the Bank of RMB390,000,000 and other payment obligations (including any interests and penalty for early repayment) thereunder;

- (ii) such amount required to settle the Target Company's liabilities (other than those amount due to the group company). As at 30 September 2020, based on the Target Company's unaudited management accounts, the Target Company's liabilities (other than those amount due to the group company) are approximately RMB214 million (out of which RMB20 million has been settled under paragraph (a) above). Such liabilities mainly include the short-term borrowing of the Target Company of approximately RMB45 million and the outstanding payables to the construction companies for demolition and land development work on the Land and the fees for terminating the existing general contractor of the Project. All of them were with Independent Third Parties;
- (iii) the remainder shall be paid to the Vendor; and
- (e) RMB20,000,000 (equivalent to approximately HK\$23,000,000) shall be paid by the Purchaser to the Vendor on the date of completion of the Equity Transfer.

Upon the release of the Escrow Funds in accordance with paragraph (d) above, the Vendor shall arrange to register the Purchaser as the registered owner of the Target Company to facilitate the performance of the Vendor's obligation to return all amount paid by the Purchaser in the event that the Completion does not take place due to the failure to satisfy the conditions precedent. The Company considers that this is fair and reasonable for the Group, given that the Purchaser will have paid almost the entire Consideration at the time when the Purchaser is registered as the owner of the Target Company.

#### **Basis of determination of Consideration**

The Consideration was determined between the Purchaser and the Vendor based on arm's length negotiation (i) as to approximately RMB926 million, based on the agreed value of the Land with reference to (a) the prevailing market value of two other residential use land located in Huizhou City which were auctioned and sold in September 2020, the accommodation value of which ranges from approximately RMB5,000 to RMB6,000 per the gross floor area accountable for plot ratio in square metres; (b) the gross floor area accountable for plot ratio of approximately 165,000 square metres in respect of the Land; and (ii) as to the remaining balance, the preliminary expenses in respect of the Project paid or to be paid by the Vendor for the Target Company as at the date of the Equity Transfer Agreement, including (1) preliminary work conducted on the Land by other third party suppliers such as surveying, site inspection, traffic assessment and design, etc. of approximately RMB6.5 million; (2) government levies of approximately RMB16.8 million in respect of urban infrastructure support fees (城市基礎設施配套費) and land use tax (土地使用稅); (3) administrative and management fees of approximately RMB6.5 million including wages, business entertainment expenses, office expenses, etc.; and (4) part of the fees for terminating the existing general contractor of the Project of approximately RMB20 million.

Notwithstanding that part of the Consideration as set out above would be directly applied for the settlement of the Loan, the liabilities of the Target Company and other outstanding payables in respect of the Project, such that the Consideration actually received by the Group would be lower than the agreed value of the Land of approximately RMB926 million in determination of the Consideration, the Company considers the Consideration to be fair and reasonable given that the Proposed Disposal is in relation to the disposal of the equity interest in the Target Company, which had total liabilities of approximately RMB548 million as at 30 September 2020 and such liabilities would have to be taken into account in arriving at the fairness and reasonableness of the Consideration. The liabilities of the Target Company mainly relates to the costs for demolition and land development work on the Land and the land premium paid for change in land use right from industrial use into current uses of urban residential and other commercial uses before it is ready for construction of the Project, which is a requirement for the Project given that it is an urban renewal project and the Land was originally an industrial use land. Further details of the Project are set out under the section headed “Information of the Target Company and the Project” below.

### **Interim Conditions**

Pursuant to the Equity Transfer Agreement, the Vendor shall procure the satisfaction of, inter alia, the following within ten business days after the payment of the Initial Deposit by the Purchaser:

- (a) the Target Company having obtained Valid Receipts, being invoices or receipts in relation to, among others, the land premium paid to the local government authority, deed tax, stamp duty etc., which are recognized by the tax authorities, stamped with invoice stamp or are otherwise authentic and valid, of an amount no less than approximately RMB420 million (equivalent to approximately HK\$483 million) (where there is any shortfall, a corresponding amount equal to 60% of the shortfall shall be deducted from the Consideration payable by the Purchaser); and
- (b) the Vendor having provided to the Purchaser the materials in relation to the performance of the contracts entered into with Independent Third Parties by the Target Company in respect of, among others, demolition works, land development and earthwork of the Project, including but not limited to, if any, on-site photos, the relevant contracts, budgets, contact list, site visas, confirmations, work scope amendments, correspondences, check and acceptance on any work done, payment settlement, etc., and in relation to compensations in connection with the demolition of properties on the Land, including but not limited to any photos of the Land prior to the commencement of demolition work.

Within four business days after the satisfaction of the conditions set out in paragraphs (a) and (b) above, the Vendor shall obtain the consent of the Bank for the early repayment of the Loan by the Vendor and the written consent for the unconditional release of the Mortgage within five business days after full settlement of the Loan and the interests accruing thereon.

If the Vendor fails to satisfy or perform the Interim Conditions above, the Purchaser may cease any payment of the Consideration, require the Vendor to make default payment to the Purchaser, claim damages against the Vendor for any corresponding loss and/or where the relevant breach is not rectified within 30 days, terminate the Equity Transfer Agreement.

The Company considers that the Interim Conditions above to be fair and reasonable requests by the Purchaser for ascertaining the value of the Target Company and the details and status of the preliminary development work on the Land, and to ensure that the Land would be free from the Mortgage at completion of the Equity Transfer. In particular, as at the date of this announcement, the Group had already obtained and settled all the Valid Receipts as required under paragraph (a) above and accordingly such Interim Condition had been satisfied. Further, the Group also already possesses most of the materials referred to in paragraph (b) above. Therefore, the satisfaction of the Interim Conditions are within the control of the Group and the Group does not envisage any obstacles to the satisfaction thereof.

### **Completion Conditions**

Pursuant to the Equity Transfer Agreement, completion of the Equity Transfer shall take place upon completion of the following matters:

- (a) the Target Company having fully settled its liabilities and obtained the relevant evidence thereof;
- (b) all procedures for the release of the Mortgage having been completed (based on the date of obtaining the relevant notice in relation to the release from the relevant authorities);
- (c) the general contractor for the Project has cleared from the site of the Project;
- (d) the Target Company having completed all changing procedures for matters which would require the Vendor's cooperation, including tax registration and bank signatories;
- (e) the Shareholders of the Company having approved the Equity Transfer at the EGM;
- (f) the Company having obtained the necessary consent, approval or filing regarding the transactions contemplated under the Equity Transfer Agreement from the relevant securities regulatory authority or other regulatory authorities (including but not limited to the Stock Exchange);

- (g) since the date of the Equity Transfer Agreement, there being no circumstance which would hinder the transfer of Sale Equity; and
- (h) there being no breach of the Equity Transfer Agreement by the Vendor and no material adverse change to the Target Company and the Land which would render the performance of the Equity Transfer Agreement impossible.

The Vendor shall use reasonable endeavours to procure satisfaction of the above conditions on or before 31 December 2020. The Purchaser may at any time waive any of the above conditions (except (e) and (f)).

If any of the conditions above is not satisfied or waived on or before 31 December 2020 (or such other later date as the Purchaser and the Vendor may agree in writing), (i) the Purchaser shall within five business days thereafter return to the Vendor and/or the Target Company any information and materials in relation to the Target Company and the Land which may have been provided to the Purchaser; (ii) the Purchaser shall within five business days thereafter provide such assistance to return all Sale Equity registered under the name of the Purchaser to the Vendor (if any) and shall assist to change the directors, supervisor and senior management of the Target Company to such persons designated by the Vendor (if any), including signing any relevant documents and attending to any relevant regulatory filings with the Vendor, and shall return the chops and information of the Target Company to the Vendor; and (iii) the Vendor shall within five business days thereafter return any amount paid by the Purchaser under the Equity Transfer Agreement. All rights and obligations of the Purchaser and the Vendor under the Equity Transfer Agreement shall cease and determine and neither party shall have any claim of any nature against the other, save in respect of any antecedent breach or any rights and obligations which are expressed to survive under the Equity Transfer Agreement.

In respect of the conditions precedent (a), the Target Company shall have fully settled its liabilities before Completion. As at 30 September 2020, based on the Target Company's unaudited management accounts, the Target Company has liabilities due to third parties of approximately RMB214 million (which will be settled by the Consideration, as further detailed in the paragraph headed "Consideration" above) and liabilities due to the group company of approximately RMB335 million (which will be waived by the Group before Completion).

### **Completion**

Completion shall take place within five business days after the satisfaction of the above conditions precedent in accordance with the terms of the Equity Transfer Agreement.

### **Guarantee**

The Vendor's Guarantor has provided an irrevocable guarantee in relation to the Vendor's performance of its obligations under the Equity Transfer Agreement.

## **INFORMATION OF THE PURCHASER**

The Purchaser is an investment holding company established in the PRC and is a non-wholly owned subsidiary of Guangdong Center Enterprises Industry Investment Group Co., Ltd.\* (廣東中天實業投資集團有限公司) and is ultimately owned by Mr. Zhang Yukai (張宇凱) and Mr. Zhang Junfan (張俊凡). Guangdong Center Enterprises Industry Investment Group Co., Ltd. is a conglomerate which is engaged in various businesses including real estate and financial services in the PRC and overseas.

## **INFORMATION OF THE GROUP AND THE VENDOR**

The Group is principally engaged in 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. Other than the Project, the Group has various real estate development projects currently under construction or to be developed or on sale located in different regions of the PRC including Guangdong, Fujian, Henan, Hainan, Zhejiang and Jiangsu. The Group will continue to focus on the development of residential and commercial properties in the PRC.

The Vendor is a company established in the PRC and is an investment holding company. It is an indirect wholly-owned subsidiary of the Company.

The Vendor's Guarantor is a company established in the PRC and is an investment holding company. It is an indirect wholly-owned subsidiary of the Company.

## **INFORMATION OF THE TARGET COMPANY AND THE PROJECT**

The Target Company is a company established in the PRC and is principally engaged in the development of the Project. It is an indirect wholly-owned subsidiary of the Company.

The Project is an urban renewal project to convert the Land, which was initially for industrial use, into the current uses of urban residential and other commercial uses. For such purpose, the Group was required to pay land premium to the government and to demolish the existing buildings and other structures and conduct land development work on the Land. The Project involves the development of residential and commercial properties on the Land, which is located at Tanhua Road, Danshui Street, Huiyang District, Huizhou City, Guangdong Province, PRC (中國廣東省惠州市惠陽區淡水街道曇華路) with an area of 44,854 square meters.

As at the date of this announcement, although the general contractor has already been engaged, the Project has yet to commence construction and is conducting preliminary work only at the current stage, such as demolition, land development and earthwork on the Land. The land right certificate (不動產權證書) and the construction land planning permit (建設用地規劃許可證) for the Land was respectively obtained on 28 April 2020 and 6 July 2020. The proposed development was high-rise apartments with retail shops.

## Background of the acquisition of the Target Company by the Group

As the Group was optimistic about the residential property market in the vicinity where the Land is located and intended to development residential properties on the Land for sale, the Group through the Vendor entered into an equity transfer agreement in November 2018 with an Independent Third Party (the “**Previous Owner**”) for the acquisition of 51% equity interest in the Target Company for a consideration of RMB350 million with the land premium in respect of change in land use of the Land to be paid by the Previous Owner, and pursuant to which the Group paid to the Previous Owner RMB150,000,000 as refundable deposit in 2018, and a further RMB200,000,000 as the security deposit in October 2019, which were recorded as deposits paid for acquisition of the Target Company in the financial statements of the Group. In April 2020, the Vendor entered into a supplemental agreement to the said equity transfer agreement with the Previous Owner, pursuant to which the Vendor would acquire the entire equity interest instead of 51% equity interest in the Target company and the consideration was changed from RMB350 million to RMB200 million, but the Vendor (instead of the Previous Owner) would be responsible for paying the land premium in respect of change in land use of the Land. The acquisition of the Target Company was subsequently completed in 2020. As the acquisition of the Target Company had been completed, the deposits relating thereto had been accounted as an investment in subsidiaries in the Group’s financial statements.

The Vendor also entered into the Loan Agreement with the Bank on 29 September 2019 (as amended by supplemental agreements dated 9 April 2020 and 7 May 2020) for the purpose of funding its acquisition of the Target Company and paying part of the land premium in respect of the Land with the proceeds of the Loan, which was secured by the Equity Pledge and the Mortgage. Pursuant to the Loan Agreement, the Bank shall provide a term loan in the principal amount of up to RMB390,000,000 to the Vendor, for a term of 36 months. The Vendor shall be allowed to make early repayment of part or all of the Loan, subject to a penalty for early repayment.

## Financial information

Set out below is the unaudited financial information of the Target Company:

	For the year ended 31 December	
	2018	2019
	<i>RMB’000</i>	<i>RMB’000</i>
	(approximate)	(approximate)
Turnover	–	–
Net profit/(loss) before tax	(1,739)	(2,349)
Net profit/(loss) after tax	(1,739)	(2,349)

The unaudited net assets value of the Target Company as at 30 September 2020 was approximately RMB49,942,000. As at 30 September 2020, the total assets of the Target Company mainly represented the land premium paid for the Land and the progressive construction costs incurred on the Project; and the total liabilities of the Target Company mainly represented trade and other payables in connection with the Project and amount due to the group company.

Set out below are the major line items of the Target Company's assets and liabilities based on its unaudited management accounts as at 30 September 2020:

	<b>As at 30 September 2020</b> <i>RMB'000</i> (approximate)
<b>Selected assets:</b>	
Properties for sale and under development (the Project)	596,546
<b>Selected liabilities:</b>	
Trade and other payables	168,546
Amount due to group company	334,828
Loans and other borrowings	44,960
<b>Total and net amounts:</b>	
Total assets	598,276
Total liabilities	548,334
Net assets	49,942

The trade and other payables of the Target Company mainly consists of outstanding payables to the construction companies for demolition and land development work on the Land and the fees for terminating the existing general contractor of the Project.

## **FINANCIAL EFFECT OF THE PROPOSED DISPOSAL**

Upon completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results, assets and liabilities will no longer be included in the consolidated financial statements the Group.

The Proposed Disposal is expected to give rise to a gain of approximately RMB170 million (equivalent to approximately HK\$195.5 million) (before taxation, if any), subject to review by the auditors of the Company, calculated with reference to the difference between (i) the net Consideration of approximately RMB419 million, being the total Consideration of approximately RMB975 million after deducting (a) the Target Company's liabilities of RMB548 million as at 30 September 2020 which shall be settled by the Vendor by using part of the proceeds of the Consideration or waived by the Group in respect of the amount due to the Group by the Target Company as a condition precedent to the Completion, (b) the transaction costs and expenses for the Equity Transfer in the sum of approximately RMB1 million and (c) the penalty for early repayment of the Loan pursuant to the Loan Agreement of approximately RMB7 million; and (ii) the premium paid for the acquisition of the Target Company by the Vendor of RMB199 million (which represents the excessive amount of consideration of RMB200 million paid by the Group in acquisition of the Target Company over the net assets value of the Target Company in the sum of approximately RMB0.8 million as at the date of completion of the acquisition of the Target Company by the Group) and the net asset value of the Target Company of RMB50 million as at 30 September 2020. The actual gain or loss as a result of the Proposed Disposal to be recorded by the Company is subject to any changes to the net assets value of the Target Company on the date of the completion of the Equity Transfer.

**Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Proposed Disposal may be different from the above and will be determined based on the financial position of the Target Company on the date of Completion and the review by the Group's auditors upon finalization of the consolidated financial statements of the Group.**

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

At the time of the acquisition of the Target Company, the Group intended to develop residential properties on the Land for sale as the Group was optimistic about the residential property market in the vicinity where the Land is located. However, considering the potential lingering impact of COVID-19 and the tensions between the US and the PRC, both of which may adversely affect the PRC economy, the Group therefore wished to maintain a stronger cash flow and an overall healthier financial position in order to better cope with the uncertain economic outlook. Therefore, as the Group was able to find purchasers for the Project and the Purchaser is able to offer a market price for the purchase of the Target Company, the Company considers that the Proposed Disposal represents an opportunity for the Group to realize and profit from its investment in the Project. The Proposed Disposal will also help reduce the current and future indebtedness of the Group given that the Project is still under development, and the proceeds resulting from the Proposed Disposal will also improve the liquidity of the Group, thereby strengthening the overall financial position of the Group. The Company does not expect there to be any material adverse impact on the operations of the Group considering that the Project has yet to commence construction and the Group will continue to focus on its other real estate development projects in different regions of the PRC.

The Directors are of the view that the terms of the Proposed Disposal are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds from the Proposed Disposal, excluding the part of the Consideration to be applied for repayment of the Loan owed by the Vendor to the Bank which was used for financing the Vendor's acquisition of the Target Company and payment of part of the land premium in respect of the Land and for the repayment of the liabilities of the Target Company and other outstanding payables in respect of the Project of the Target Company, are expected to be approximately RMB362 million (equivalent to approximately HK\$416.3 million) and the net proceeds (after deducting related transaction costs and professional expenses) are expected to be approximately RMB361 million (equivalent to approximately HK\$415.15 million). The Group intends to use the proceeds (i) as to approximately RMB230 million, for the repayment of its loans and borrowings; (ii) as to approximately RMB80 million, for the preliminary expenses for the Group's project in Henan Province; and (iii) for general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Proposed Disposal as calculated under Rule 14.07 of the Listing Rules exceeds 75%, the Proposed Disposal constitutes a very substantial disposal for the Company under the Listing Rules which is subject to the reporting, announcement and shareholders' approval requirements.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Equity Transfer Agreement and the transactions contemplated therein.

The Circular containing, among other things, (i) further details of the Proposed Disposal; (ii) other information as required by the Listing Rules; (iii) the valuation report of the Land; and (iv) a notice convening the EGM and the proxy form in respect of the EGM, is expected to be despatched to the Shareholders on or before 30 November 2020, as further time is required to prepare the information contained in the Circular.

## **DEFINITIONS**

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

“Bank”	The Chinese Merchandise Bank, Ltd. Shenzhen Branch* (華商銀行深圳分行)
“Board”	the board of Directors
“Circular”	the circular of the Company in respect of the Proposed Disposal

“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)
“Consideration”	the consideration in the aggregate amount of RMB975,429,918.49 (equivalent to approximately HK\$1,121,744,406.26) to be satisfied by the Purchaser in respect of the Proposed Disposal
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other matters, the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Pledge”	the pledge subsisting as at the date of this announcement over the Sale Equity in favour of the Bank as security for the Loan pursuant to an equity pledge agreement dated 9 April 2020 entered into between the Vendor and the Bank
“Equity Transfer Agreement”	the equity transfer agreement dated 29 October 2020 and entered into among the Purchaser, the Vendor, the Vendor’s Guarantor and the Target Company in relation to the Proposed Disposal
“Escrow Account”	the escrow account to be opened by the Purchaser with the Bank within two business days after the date of the Equity Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person or company who/which are not connected with (within the meaning of the Listing Rules) and are independent of the directors, chief executive and substantial shareholders of the Group or any of their respective associates
“Initial Deposit”	the initial deposit of RMB20,000,000 (equivalent to approximately HK\$23,000,000) to be paid by the Purchaser
“Interim Conditions”	the interim conditions to be satisfied after the payment of the Initial Deposit by the Purchaser

“Land”	the parcel of land located at Tanhua Road, Danshui Street, Huiyang District, Huizhou City, Guangdong Province, PRC (中國廣東省惠州市惠陽區淡水街道曇華路) with an area of 44,854 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of approximately RMB390 million provided by the Bank to the Vendor pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 29 September 2019 (as amended by supplemental agreements dated 9 April 2020 and 7 May 2020) between the Bank and the Vendor
“Mortgage”	the mortgage subsisting as at the date of this announcement over the Land made in favour of the Bank as security for the Loan pursuant to a mortgage agreement dated 7 May 2020 entered into between the Target Company and the Bank
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the intended property development project of the Target Company on the Land
“Proposed Disposal”	the proposed disposal of the Sale Equity by the Vendor to the Purchaser
“Purchaser”	Dongguan City Zhongtian Huijing Industry Investment Co., Ltd.* (東莞市中天薈景實業投資有限公司), a company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	the entire equity interest of the Target Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Huiyang Jinlida Property Management Co., Ltd.* (惠陽金利達物業管理有限公司), a company established in the PRC and a wholly-owned subsidiary of the Vendor as at the date of this announcement
“Valid Receipts”	invoices/receipts in relation to land transfer moneys, deed tax, stamp duty etc., which are recognized by the tax authorities, stamped with invoice stamp or are otherwise authentic and valid
“Vendor”	Weiye Holdings (Shenzhen) Group Co., Ltd.* (偉業控股(深圳)集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Vendor’s Guarantor”	Hainan Hongji Weiye Property Development Co., Ltd.* (海南宏基偉業房地產開發有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

\* *for identification purposes only*

*For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1 to HK\$1.15. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this rate or any other rate.*

By Order of the Board  
**WEIYE HOLDINGS LIMITED**  
**Zhang Wei**

*Executive Chairman and Chief Executive Officer*

Hong Kong, 29 October 2020

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