THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Weiye Holdings Limited**, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 5 to 17 of this circular.

A notice convening the extraordinary general meeting ("**EGM**") of the Company to be held at 33rd Floor, Building No. 1, Fangdacheng Longzhu Forth Road No. 2, Nanshan District, Shenzhen City, Guangdong Province, the PRC on Thursday, 24 December 2020 at 9:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish. If you attend and vote at the extraordinary general meeting, the authority of your proxy will be revoked.

* *for identification purposes only*

30 November 2020

CONTENTS

			Page
Definitions			1
Letter from the Board			5
Appendix I	—	**Financial Information of the Group**	I-1
Appendix II	—	**Financial Information of the Target Company**	II-1
Appendix III	—	**Management Discussion and Analysis of the Remaining Group**	III-1
Appendix IV	—	**Unaudited Pro Forma Financial Information of the Remaining Group**	IV-1
Appendix V	—	**Property Valuation**	V-1
Appendix VI	—	**General Information**	VI-1
Notice of EGM			EGM-1

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

"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$1,121,744,406.26) to be satisfied by the Purchaser in respect of the Proposed Disposal
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other matters, the Equity Transfer Agreement and the transactions contemplated thereunder
"Equity Pledge"	the pledge subsisting as at the date of the Equity Transfer Agreement over the Sale Equity in favour of the Bank as security for the Loan pursuant to an equity pledge agreement dated 9 April 2020 entered into between the Vendor and the Bank
"Equity Transfer Agreement"	the equity transfer agreement dated 29 October 2020 and entered into among the Purchaser, the Vendor, the Vendor's Guarantor and the Target Company in relation to the Proposed Disposal
"Escrow Account"	the escrow account to be opened by the Purchaser with the Bank within two business days after the date of the Equity Transfer Agreement
"Group"	the Company and its subsidiaries
"HK$"	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, the 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
"Latest Practicable Date"	26 November 2020
"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 the Equity Transfer Agreement 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 circular, 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
"Remaining Group"	the Group immediately after completion of the Proposed Disposal
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Equity"	the entire equity interest of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shares"	ordinary shares in the share capital of the 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 the Equity Transfer Agreement
"Valid Receipts"	invoices/receipts expected to be 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.* (煒業控股(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 circular 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.

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)

Executive Directors:
Mr. Zhang Wei
Mr. Chen Zhiyong

Independent Non-executive Directors:
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Mr. Lam Ying Hung Andy
Mr. Dong Xincheng

Registered office:
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Principal place of business in Hong Kong:
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22 Tak Fung Street
Hunghom, Kowloon
Hong Kong

30 November 2020

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO PROPOSED DISPOSAL OF
100% EQUITY INTEREST IN A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

* *for identification purposes only*

INTRODUCTION

Reference is made to the announcement of the Company dated 29 October 2020 in relation to the Proposed Disposal.

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 purpose of this circular is to provide you with, among other things, (i) further details of the Proposed Disposal; (ii) financial information of the Group; (iii) financial information of the Target Company; (iv) unaudited pro forma financial information of the Remaining Group; (v) the property valuation report on the Land; and (vi) a notice convening the EGM.

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 financial information reviewed by the auditors of the Company, 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 respesct 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 Latest Practicable Date, 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 which was registered under the name of the Purchaser on 6 November 2020 back 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 (which was provided by the Vendor to the Purchaser on 6 November 2020) 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 financial information reviewed by the auditors of the Group, 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 Latest Practicable Date, 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**
	RMB'000	*RMB'000*
	(approximate)	(approximate)
Turnover	–	–
Net loss before tax	(1,688)	(1,820)
Net loss after tax	(1,688)	(1,820)

The unaudited net assets value of the Target Company as at 30 September 2020 was approximately RMB49,244,000. 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 financial information reviewed by the auditors of the Company as at 30 September 2020:

	As at 30 September 2020 *RMB'000* (approximate)
Selected assets:	
Properties for sale and under development (the Project)	596,546
Selected liabilities:	
Trade and other payables	168,727
Amount due to group company	334,828
Loans and other borrowings	44,960
Total and net amounts:	
Total assets	597,759
Total liabilities	548,515
Net assets	49,244

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) 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 approximately 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 RMB0.2 million as at the date of completion of the acquisition of the Target Company by the Group (excluding capital injection of RMB49,500,000 paid by the Group)) and the net asset value of the Target Company of approximately RMB50 million as at 30 September 2020. The excess of the net Consideration over the unaudited net assets value of the Target Company as at 30 September 2020 was approximately RMB369 million (equivalent to approximately HK$424.4 million). 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 51% equity interest in the Target Company in November 2018, 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. Subsequently, the Previous Owner (the then shareholder of the remaining 49% interest in the Target Company) had financial pressure to pay the land premium in respect of change in land use of the Land as agreed but the deadline for payment of such land premium fell due in April 2020. Also, given that the Previous Owner was a then minority shareholder without control over the Target Company, it was not keen to proceed with the development of the Land. In view of such, in order not to affect the development of this project, the Group decided to acquire the remaining 49% interest in the Target Company in April 2020 from the Previous Owner on the terms set out in the paragraph headed "Background of the acquisition of the Target Company by the Group" in this circular which the Group considered favorable. Subsequently, 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 and 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 RMB365 million (equivalent to approximately HK$419.8 million) and the net proceeds (after deducting related transaction costs and professional expenses) are expected to be approximately RMB364 million (equivalent to approximately HK$418.6 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.

EGM

The notice of EGM is set out in pages EGM-1 to EGM-3 of this circular. At the EGM, ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve, among other matters, the Equity Transfer Agreement and the transactions contemplated thereunder.

A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong share registrar of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

Any Shareholder with a material interest in the Proposed Disposal and his close associates will be required to abstain from voting at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge and belief having made all reasonable enquires, as at the Latest Practicable Date no Shareholder has a material interest in the Proposed Disposal, and accordingly no Shareholder is required to abstain from voting to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

CLOSURE OF BOOKS

To ascertain the members' entitlement to attend and vote at the EGM, the register of members will be closed from Monday, 21 December 2020 to Thursday, 24 December 2020, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 18 December 2020.

RECOMMENDATION

The Directors consider that the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM as set out in the notice of the EGM at the end of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2017, 2018 and 2019 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020 have been disclosed in the following documents which have been published on the websites of the HKEXnews (**http://www.hkexnews.hk**) and the Company (**http://www.weiyeholdings.com/**):

- interim report of the Company for the six months ended 30 June 2020 published on 3 September 2020 (pages 14 to 40);
- annual report of the Company for the year ended 31 December 2019 published on 29 April 2020 (pages 54 to 155);
- annual report of the Company for the year ended 31 December 2018 published on 23 April 2019 (pages 53 to 173); and
- annual report of the Company for the year ended 31 December 2017 published on 26 March 2018 (pages 67 to 155).

2. INDEBTEDNESS STATEMENT

Borrowings

At the close of business on 30 September 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding total borrowings of approximately RMB2,524 million, comprising of: (i) secured bank borrowings of RMB1,144 million; (ii) secured and guaranteed other borrowings of RMB1,216 million; (iii) unsecured and unguaranteed other borrowings of RMB159 million; and (iv) secured bank overdraft of approximately RMB5 million. The secured borrowings were secured by a pledge of property, plant and equipment, investment properties, development properties, bank deposits, deposits paid to third party and equity interests of subsidiaries of certain Group's entities and guarantees provided by the group companies and directors.

Amounts due to the minority shareholders

As at 30 September 2020, amounts due the minority shareholders were approximately RMB91 million.

Lease liabilities

As at 30 September 2020, all lease liabilities of the Group amounted to approximately RMB28 million, of which RMB26 million was under leasing arrangements and RMB2 million was under finance leases.

Charges

As at 30 September 2020, property, plant and equipment of approximately RMB28.7 million, investment properties of approximately RMB245 million, development properties of approximately RMB921.1 million and bank deposits of approximately RMB181.5 were pledged to secure certain borrowings granted to the Group.

As at 30 September 2020, certain equity shares of the subsidiaries of the Group were pledged to secure borrowings of approximately RMB869.4 million.

Contingent liabilities

As at 30 September 2020, the Group had contingent liabilities in respect of the guarantees of approximately RMB2,764 million provided to various domestic banks in the PRC to provide loan and mortgage facilities to purchasers of its properties prior to the transfer of land title deeds.

As at 30 September 2020, the Group has provided guarantees in favour of banks, financial institutions and third parties, in respect of facilities granted to certain subsidiaries. The maximum exposure of the Group in respect of the intra-group financial guarantee is if the bank facility is drawn down by the subsidiaries in the total amounts of RMB1,234 million.

Save as disclosed above, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or any outstanding material contingent liabilities as at 30 September 2020.

The Group confirms that there has not been any material change in its indebtedness position since 30 September 2020.

3. NO MATERIAL ADVERSE CHANGE

The Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 December 2019 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL

The Directors are of the opinion that after taking into account the financial resources available to the Group, following the completion of the Proposed Disposal and in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

As at the Latest Practicable Date, the Group has the following major property development projects at various stages of development (excluding the Proposed Disposal). The table below sets forth a brief summary of our development projects:

	Project name	Location (city) of projects	Site area sq.m.	Development type	Status & expected completion date where applicable
1	Weiye Meiyue Wan	Huizhou	29,381	Residential and commercial	Completed, at handover stage save for the final phase which has yet to apply for pre-sale
2	Weiye Lanting Wan	Huizhou	11,000	Residential and commercial	Under construction, December 2020
3	Taihu Tiancui	Huzhou	57,734	Residential	Under construction, December 2020
4	Yuejiangwan	Yangzhou	66,358	Residential	Under construction, December 2020
5	Yuediwan	Yangzhou	69,788	Residential	Under construction, December 2020
6	Xijingfu	Hangzhou	34,868	Residential	Under construction, December 2022
7	Weiye Shangcheng Sanhaoyuan	Zhengzhou	20,107	Residential	Under construction, September 2021
8	Weiye Costa Rhine Phase II	Wanning	66,667	Residential	Pending the construction and planning permit
9	Pangu – Fujian Tianzhi	Fuzhou	17,437	Non-residential	Under construction, January 2021
10	Pangu – Fujian Tianjiao	Fuzhou	15,702	Non-residential	Under construction, January 2021

	Project name	Location (city) of projects	Site area sq.m.	Development type	Status & expected completion date where applicable
11	Chuangshiji Apartment	Changsha	8,827	Residential	Under construction, June 2021

In the first half of 2020, there was huge downturn pressure on the economy of the PRC as a result of the outbreak of COVID-19 and trade disputes in between the United States and the PRC. There is an uncertainty about China's economic condition as well as the property market in the PRC. In pursuing stability and sustainability in its policies, the China Central Government, by adhering to the positioning of "houses are for living, not for speculating", continued to carry out city-differentiated regulation.

Looking ahead to the second half of 2020, the worldwide economy has been hit hardly by the outbreak of COVID-19 and tensions between the US and the PRC. These may disrupt the PRC real estate industry and will pose further challenge to the Group. However, under such current condition, the Group will continue to reduce stock holding and maintain healthy cash flow by accelerating the turnover rate through marketing of its existing projects. Furthermore, the Group will through innovative and diversified models to strengthen its project acquisition effort in the Yangtze River Delta and Pearl River Delta regions, so as to accumulate good land banks at reasonable cost for future stable growth.

As detailed in the section headed "Reasons and Benefits for the Disposal" in the Letter from the Board of this circular, the Board considers that the Proposed Disposal an opportunity for the Group to realize and profit from its investment in the Project, reduce the current and future indebtedness and improve the liquidity of the Group, thereby strengthening the overall financial position of the Group.

Amidst increasingly tightened policies for the traditional property market and the dynamics of industrial development, the Group made active responses to the changing market, by pursuing the "Industry + Real Estate" development strategy to push forward with business transformation and upgrade, for further strengthen the Group's long term development.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below are unaudited statements of financial position of the Target Company as at 31 December 2017, 2018 and 2019 and 30 September 2020; unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity, and unaudited statements of cash flows of the Target Company for each of the years ended 31 December 2017, 2018 and 2019 and the nine months ended 30 September 2020 and certain explanatory notes of the Target Company (collectively the "**Financial Information**"). The Financial Information has been prepared on the basis set out in Note 2 in this appendix, and in accordance with the accounting policies adopted by the Group and paragraph 68(2)(a)(i) of Chapter 14 of the Listing Rules.

The Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Proposed Disposal. The Company's auditors, BDO Limited, (the "**reporting accountants**") were engaged to review the Financial Information which is included in the Financial Information of the Target Company set out on pages II-2 to II-8 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by International Auditing and Assurance Standards Board (the "**IAASB**") and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

Based on their review on the Financial Information of the Target Company, nothing has come to their attention that causes them to believe that the Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 below.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 September
		2017	**2018**	**2019**	**2020**
	Note	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Current assets					
Development properties and prepaid costs	3	6,142	6,838	106,815	596,546
Deposits, prepayments and other receivables		18	69	914	1,212
Restricted bank deposits		–	–	200,000	–
Cash and cash equivalents		148	112	528	1
		6,308	7,019	308,257	597,759
Current liabilities					
Trade payables	4	–	–	99,699	155,631
Accruals and other payables		96	30	1,280	13,096
Amount due to the then equity owner	5	1,885	4,350	206,459	–
Amount due to the immediate holding company	5	–	–	–	334,828
Borrowings	6	–	–	–	44,960
		1,981	4,380	307,438	548,515
Net assets		4,327	2,639	819	49,244
EQUITY					
Share capital		500	500	500	50,000
Reserves		3,827	2,139	319	(756)
Total equity		4,327	2,639	819	49,244

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–	–
Cost of sales	–	–	–	–	–
Gross profit	–	–	–	–	–
Other income	377	–	740	3	1,103
Selling and distribution expenses	–	–	–	–	–
Administrative and other expenses	(10,262)	(1,688)	(2,560)	(1,759)	(2,178)
Loss before income tax expense	(9,885)	(1,688)	(1,820)	(1,756)	(1,075)
Income tax expense	–	–	–	–	–
Loss for the year/period attributable to owners of the Target Company	(9,885)	(1,688)	(1,820)	(1,756)	(1,075)
Total comprehensive income for the year/period attributable to owners of the Target Company	(9,885)	(1,688)	(1,820)	(1,756)	(1,075)

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2017	500	14,966	(1,254)	14,212
Loss and total comprehensive income for the year	–	–	(9,885)	(9,885)
At 31 December 2017 and 1 January 2018	500	14,966	(11,139)	4,327
Loss and total comprehensive income for the year	–	–	(1,688)	(1,688)
At 31 December 2018 and 1 January 2019	500	14,966	(12,827)	2,639
Loss and total comprehensive income for the year	–	–	(1,820)	(1,820)
At 31 December 2019 and 1 January 2020	500	14,966	(14,647)	819
Loss and total comprehensive income for the period	–	–	(1,075)	(1,075)
Capital injection	49,500	–	–	49,500
At 30 September 2020	50,000	14,966	(15,722)	49,244
For the nine months ended 30 September 2019:				
At 1 January 2019	500	14,966	(12,827)	2,639
Loss and total comprehensive income for the period	–	–	(1,756)	(1,756)
At 30 September 2019	500	14,966	(14,583)	883

UNAUDITED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Nine months ended 30 September	
	2017	2018	2019	2019	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cash flows from operating activities					
Loss before income tax expense	(9,885)	(1,688)	(1,820)	(1,756)	(1,075)
Adjustments for:					
Interest income	(1)	–	(740)	(3)	(1,103)
Written off of property, plant and equipment	8,175	–	–	–	–
Written off of other receivables	1	–	267	267	250
Operating loss before working capital changes	(1,710)	(1,688)	(2,293)	(1,492)	(1,928)
Increase in development properties and prepaid costs	(585)	(696)	(99,977)	(191)	(489,731)
Decrease/(increase) in deposits, prepayments and other receivables	348	(51)	(1,112)	(455)	(548)
Increase in trade payables	–	–	99,699	–	55,932
(Decrease)/increase in accruals and other payables	(336)	(66)	1,250	234	11,816
Increase/(decrease) in amounts due to the then equity owner	1,885	2,465	202,109	1,847	(206,459)
Increase in amounts due to the immediate holding company	–	–	–	–	334,828
Cash (used in)/from operations	(398)	(36)	199,676	(57)	(296,090)
Income tax paid	–	–	–	–	–
Net cash (used in)/from operating activities	(398)	(36)	199,676	(57)	(296,090)

UNAUDITED STATEMENTS OF CASH FLOWS – continued

	Year ended 31 December			Nine months ended 30 September	
	2017	**2018**	**2019**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cash flows from investing activities					
Interest received	1	–	740	3	1,103
(Increase)/decrease in restricted bank deposits	–	–	(200,000)	–	200,000
Net cash from/(used in) investing activities	1	–	(199,260)	3	201,103
Cash flows from financing activities					
Proceeds from borrowings	–	–	–	–	44,960
Capital injection	–	–	–	–	49,500
Net cash from financing activities	–	–	–	–	94,460
Net (decrease)/increase in cash and cash equivalents	(397)	(36)	416	(54)	(527)
Cash and cash equivalents at beginning of year/period	545	148	112	112	528
Cash and cash equivalents at end of year/period	148	112	528	58	1

NOTES TO THE FINANCIAL INFORMATION OF THE TARGET COMPANY

For each of the years ended 31 December 2017, 2018 and 2019, and nine months ended 30 September 2020

1. GENERAL INFORMATION

The Target Company is a limited company incorporated in the People' Republic of China (the "**PRC**"). The address of its registered office and principal place of business are No. 36 Tanhua Road, Danshui Street, Huiyang District, Huizhou City, Guangdong Province, the PRC. The Target Company is principally engaged in the property development. In the opinion of the directors of the Target Company, its immediate holding company is Weiye Holdings (Shenzhen) Group Co., Ltd. ("**Weiye Shenzhen**") and the ultimate holding company is Weiye Holdings Limited.

On 29 October 2020 (after trading hours), Dongguan City Zhongtian Huijing Industry Investment Co., Ltd. ("**Dongguan Zhongtian**"), Weiye Shenzhen, Hainan Hongji Weiye Property Development Co., Ltd. and the Target Company entered into the equity transfer agreement pursuant to which, Weiye Shenzhen conditionally agreed to sell the entire equity interest of the Target Company (the "**Sale Equity**"), and Dongguan Zhongtian conditionally agreed to purchase the Sale Equity at a consideration of RMB975,429,918.49. Upon completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company as Weiye Shenzhen will dispose of the Sale Equity, representing the entire equity interest in the Target Company.

2. BASIS OF PREPARATION

The Financial Information of the Target Company has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Proposed Disposal.

The Financial Information of the Target Company has been prepared in accordance with the accounting policies adopted by the Company as set out in its annual report for the year ended 31 December 2019, which conform with International Financial Reporting Standards issued by the International Accounting Standard Board (the "**IASB**"). The Financial Information of the Target Company has been prepared under the historical cost convention. The Financial Information is presented in Renminbi (RMB) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The Financial Information of the Target Company does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 "Presentation of Financial Statements" nor an interim financial report as defined in International Accounting Standard 34 "Interim Financial Reporting" issued by the IASB.

Amended standards and revised conceptual framework adopted by the Target Company

The Target Company has applied the following amended standards and revised conceptual framework for the first time for its annual reporting period commencing 1 January 2020:

- Amendments to IAS 1 and IAS 8 – Definition of Material
- Amendments to IFRS 3 – Definition of a Business
- Amendment to IFRS 7, IAS 39 and IFRS 9 Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

The adoption of these amended standards and revised conceptual framework did not have any material impact on the significant accounting policies of the Target Company and the presentation of this Financial Information.

NOTES TO THE FINANCIAL INFORMATION OF THE TARGET COMPANY – continued

3. DEVELOPMENT PROPERTIES AND PREPAID COSTS

		As at 31 December		As at 30 September
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Properties under development:				
Land costs	5,557	5,557	5,663	428,970
Development costs incurred to-date	585	1,281	101,152	167,576
	6,142	6,838	106,815	596,546

Properties under development and prepaid costs of the Target Company are located in the PRC. The relevant land on lease is 70 years.

The land use right was pledged for the bank loans of the immediately holding company.

4. TRADE PAYABLES

Trade payables comprise construction costs payables to third parties.

Aging profile

The aging profile of trade payables of the Target Company at the reporting date based on invoice date, is as follows:

		As at 31 December		As at 30 September
	2017	**2018**	**2019**	**2020**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
0-30 days	–	–	99,699	55,932
31–60 days	–	–	–	–
61–90 days	–	–	–	–
Over 90 days	–	–	–	99,699
	–	–	99,699	155,631

5. AMOUNT DUE TO THE IMMEDIATE HOLDING COMPANY/THE THEN EQUITY OWNER

The amounts due to the immediate holding company and the then equity owner are unsecured, interest free and repayable on demand.

6. BORROWINGS

The amounts are guaranteed by the group company and repayable in one year.

Following the Proposed Disposal, the Remaining Group will continue to carry out its existing businesses. Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020.

A. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Property Development Business Segment

With higher total net saleable floor area ("**NSFA**") handed over to customers in 2Q2017 and 4Q2017, total property sales surged approximately 146% to approximately RMB1.7 billion as compared to FY2016. Overall, the total NSFA handed over to customers recorded approximately 235,368 square metres, a significant increase as compared to 103,670 square metres in FY2016.

Revenue from property development sales for FY2017 was mainly from the following projects, namely Weiye Shangcheng Yihaoyuan, Weiye Central Park Phase III, IV & V, Weiye Oxygen Cube A Phase II & III and Weiye Tiandao International, which contributed approximately RMB797.3 million, RMB597.6 million, RMB133.1 million and RMB119.7 million respectively.

The gross profit ("**GP**") of the property development business for FY2017 amounted to approximately RMB218.1 million, an increase of approximately 14% from the same period in FY2016. The GP margin fell 15%, as compared to FY2016 mainly due to increase in overall project construction costs and lower average selling prices of Weiye Shangcheng Yihaoyuan as a result of group sales.

Housing Construction Business

As part of the PRC Henan local government's urbanisation plan, the Remaining Group was contracted by the former to build resettlement houses. As of 31 December 2014, the construction of the resettlement houses phase I has been completed in accordance with the construction agreement.

In FY2016, revenue was recognised mainly from construction of additional ancillary facilities as requested by the local government. There was no construction work in FY2017.

Equipment Business

This segment registered sales revenue of approximately RMB69.1 million in FY2017, 16% higher than the same period in FY2016. This was mainly due to higher sales of clean room equipment products during the year under review driven by the recovery of the semiconductor industry, as well as improved sales of air purification products from the Remaining Group's business expansion in China.

In FY2017, the GP margin for equipment business recorded 31%, a slight dip of 4% from the same period in FY2016, mainly contributed by the stiff market competition resulting in lower average selling prices and increased costs of raw materials such as steel.

Financial Resources and Liquidity

The Remaining Group's net current assets decreased from approximately RMB1.9 billion as at 31 December 2016 to approximately RMB1.5 billion as at 31 December 2017, mainly due to increase in advance receipts from sale of properties of approximately RMB710.0 million, partially offset by decrease in short-term bank loans and borrowings amounting to approximately RMB622.0 million.

The Remaining Group's bank and other borrowings are denominated in Renminbi, Singapore Dollar and Malaysia Ringgit. As at 31 December 2017, the Remaining Group's total outstanding loans and borrowings amounted to approximately RMB1.99 billion. Particulars of bank and other borrowings of the Remaining Group as at 31 December 2017 are set out in Note 24 to the financial statements as set out in the annual report for the year ended 31 December 2017.

Treasury and Investment Management

The Remaining Group prepare its monthly, quarterly and annual cash flow budgets in accordance to the Remaining Group's internal rules and regulations, to forecast and manage the working capital needs of the Remaining Group and its subsidiaries for business expansion and other investments, to ensure that there is sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Remaining Group's reputation.

In order to ensure the proper application of funds available to the Remaining Group investment, it has established policies and procedures on its investment management. Generally, the Remaining Group's investment manager is responsible for managing and monitoring its investment portfolio on a daily basis.

Any fund transfer for trading purposes, acquisitions and disposal of any investments shall be reviewed by the Remaining Group's senior management and approved by the Remaining Group's Executive Chairman before execution. The Remaining Group's investment manager will prepare monthly trading summary report comprised of the detailed balance of its investment portfolio, balance of its available fund and trading gain or loss as of the month end and report to its senior management and Executive Chairman.

Significant Investments Held

The Remaining Group did not hold any significant investment in equity interest in any other company during year ended 31 December 2017.

Employees and Remuneration

As at 31 December 2017, there were 425 employees (FY2016: 416) in the Remaining Group. Total employee benefits expenses of the Remaining Group (including Directors' fee) for twelve months period ended 31 December 2017 were approximately RMB77.9 million (FY2016: RMB64.2 million). Staff remuneration packages are in accordance to the Remaining Group's internal HR policy and determined based on each employee's qualifications, experience, position and seniority. The Remaining Group also provides staff with other benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Remaining Group's results of operations.

Charge of Assets

The bank borrowings for the Remaining Group include banker's acceptance, finance lease liabilities and bank loans of its subsidiaries. The bank borrowings are secured by investment properties, legal mortgages of the property development units, and corporate guarantee from the Company as well as guarantees from the third party companies. Particulars of charge of assets of the Remaining Group as at 31 December 2017 are set out in Note 4, 6, 20 and 24 to the financial statements as set out in the annual report for the year ended 31 December 2017.

Gearing Ratio

Gearing ratio is calculated based on the Remaining Group's total net debt divided by total equity. Total net debt includes interest bearing bank and other borrowings less cash and cash equivalents. As at 31 December 2017, the Remaining Group had gearing ratio of 78% (31 December 2016: 145%).

Foreign Exchange Exposure

The Remaining Group's property development, housing construction, and cleaning room equipment and air diffusion businesses are principally conducted in RMB and Singaporean Dollar ("**SGD**"), which are the functional currencies of the respective subsidiaries of the Remaining Group. Most of the Remaining Group's monetary assets and liabilities are denominated in RMB and SGD. The Remaining Group's business operations do not involve much of international transactions. Accordingly the Remaining Group considers that its exposure to foreign currency risk is not significant and hence the Remaining Group does not employ any financial instruments for hedging purposes.

Contingent Liabilities

Details of the contingent liabilities of the Remaining Group are set out in Note 35 to the financial statements as set out in the annual report for the year ended 31 December 2017, which included the guarantees given to banks in connection with banking facilities granted to third party property customers.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

There was no material acquisition and disposal of subsidiaries by the Remaining Group during the twelve months ended 31 December 2017.

B. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Property Development Business Segment

During the year, despite a drop in the Remaining Group's total NSFA handed over to customers to approximately 197,012 square metres (FY2017: 235,368 square metres), the higher average selling prices from the sales of the Weiye Shangcheng Erhaoyuan and Weiye Yehai Shangcheng projects bolstered its performance and it had secured a 3% increase in total property sales to approximately RMB1.7 billion as compared to FY2017.

Revenue from property development sales for FY2018 was mainly from the following projects, namely Weiye Shangcheng Yihaoyuan & Erhaoyuan, Weiye Yehai Shangcheng and Weiye Oxygen Cube A Phase I, II & III, which contributed approximately RMB755.6 million, RMB648.0 million and RMB138.0 million respectively.

The GP of the property development business for FY2018 amounted to approximately RMB549.3 million, an increase of approximately 166% from the same period in FY2017. The GP margin rose by 20% as compared to FY2017 mainly due to higher average selling prices from the sales of the Weiye Shangcheng Erhaoyuan and Weiye Yehai Shangcheng projects.

Equipment Manufacturing Business

This segment registered a revenue of approximately RMB51.3 million in FY2018 which represented 26% lower than the same period in the FY2017. This was mainly due to continuous heightening of the property control measures (especially on the sales price cap) in China, as well as sluggish conditions in the Asia Pacific construction markets, resulting in a drop in the sales of air purification, clean room equipment, diffuser and damper products during the year under review.

This in turn resulted in a 22% decline in the Remaining Group's gross profit to approximately RMB16.6 million, as compared to FY2017. Despite a dip in the revenue and gross profit, the GP margin for equipment manufacturing business was able to stay consistent at approximately 32%, mainly due to savings in operating cost.

Financial Resources and Liquidity

As at 31 December 2018, the Remaining Group's net current assets amounted to approximately RMB1.4 billion, a marginal 6% dip as compared to FY2017. This was mainly due to increase in trade and other payables and bank loans and borrowings of approximately RMB954.1 million, partially offset by increase in development properties and trade and other receivables of approximately RMB779.1 million.

The Remaining Group's bank and other borrowings are denominated in Renminbi, Singapore Dollar and Malaysia Ringgit. As at 31 December 2018, the Remaining Group's total outstanding loans and borrowings amounted to approximately RMB2.0 billion. Particulars of bank and other borrowings of the Remaining Group as at 31 December 2018 are set out in Note 23 to the financial statements as set out in the annual report for the year ended 31 December 2018.

Treasury and Investment Management

The Remaining Group prepare its monthly, quarterly and annual cash flow budgets in accordance to the Remaining Group's internal rules and regulations, to forecast and manage the working capital needs of the Remaining Group and its subsidiaries for business expansion and other investments, to ensure that there is sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Remaining Group's reputation.

In order to ensure the proper application of funds available to the Remaining Group investment, it has established policies and procedures on its investment management. Generally, the Remaining Group's investment manager is responsible for managing and monitoring its investment portfolio on a daily basis.

Any fund transfer for trading purposes, acquisitions and disposal of any investments shall be reviewed by the Remaining Group's senior management and approved by the Remaining Group's Executive Chairman before execution. The Remaining Group's investment manager will prepare monthly trading summary report comprised of the detailed balance of its investment portfolio, balance of its available fund and trading gain or loss as of the month end and report to its senior management and Executive Chairman.

Significant Investments Held

The Remaining Group did not have any significant investment for during year ended 31 December 2018.

Employees and Remuneration

As at 31 December 2018, there were 403 employees (FY2017: 425) in the Remaining Group. Total employee benefits expenses of the Remaining Group (including Directors' fee) for twelve months period ended 31 December 2018 were approximately RMB73.9 million (FY2017: RMB77.9 million). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority. The Remaining Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Remaining Group's results of operations.

Charge of Assets

The bank borrowings for the Remaining Group include banker's acceptance, finance lease liabilities and bank loans of its subsidiaries. The bank borrowings are secured by investment properties, legal mortgages of the property development units, and corporate guarantee from the Company as well as guarantees from the third party companies. Particulars of charge of assets of the Remaining Group as at 31 December 2018 are set out in Note 4, 6, 19 and 23 to the financial statements as set out in the annual report for the year ended 31 December 2018.

Gearing Ratio

Gearing ratio is calculated based on the Remaining Group's total net debt divided by total equity. Total net debt includes interest bearing bank and other borrowings less cash and cash equivalents. As at 31 December 2018, the Remaining Group has gearing ratio of 69% (31 December 2017: 78%).

Foreign Exchange Exposure

The Remaining Group's property development, housing construction, and cleaning room equipment and air diffusion businesses are principally conducted in RMB and SGD, which are the functional currencies of the respective subsidiaries of the Remaining Group. Most of the Remaining Group's monetary assets and liabilities are denominated in RMB and SGD. The Remaining Group's business operations do not involve much of international transactions. Accordingly, the Remaining Group considers that its exposure to foreign currency risk is not significant and hence the Remaining Group does not employ any financial instruments for hedging purposes.

Contingent Liabilities

Details of the contingent liabilities of the Remaining Group are set out in Note 34 to the financial statements as set out in the annual report for the year ended 31 December 2018, which included the guarantees given to banks in connection with banking facilities granted to third party property customers.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

There was no material acquisition and disposal of subsidiaries by the Remaining Group during the twelve months ended 31 December 2018.

C. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Property Development Business

During the year, there was a significant drop in the Remaining Group's total NSFA handed over to customers to approximately 80,285 square meters (2018: 197,012 square meters). This was mainly due to a delay on handover of Weiye Meiyue Wan project to customers.

Revenue from property development business for the year ended 31 December 2019 was mainly from the following projects, namely Chuangshiji Plaza, Weiye Central Park and Weiye Shangcheng Yihaoyuan & Erhaoyuan, which contributed approximately RMB391.5 million, RMB129.5 million and RMB59.3 million respectively.

The GP of the property development business for the current year amounted to approximately RMB152.8 million, a decrease of approximately 72% from the same period in 2018. The GP margin dropped by 10% as compared to 2018 mainly due to lower GP margin for Chuangshiji Plaza project.

Equipment Manufacturing Business

This segment recorded a revenue of approximately RMB57.0 million in the current year which represented 11% increase when compared with 2018. This was mainly due to increase in revenue for heating, ventilation and air conditioning products and cleanroom equipment, while it continuously heightening of the property control measures in China, as well as sluggish conditions in the Asia Pacific construction markets, resulting in a drop in the sales of air purification products during the year under review.

This in turn resulted in 11% decline in the Remaining Group's GP to approximately RMB14.8 million, as compared to 2018. Despite an increase in the revenue, the GP margin for equipment manufacturing business was dropped from 32% to 26%, mainly due to increasing of operating cost.

Financial Resources and Liquidity

As at 31 December 2019, the Remaining Group's net current assets amounted to approximately RMB2,069.6 million, an increase in 47.9% as compared to 2018, this was mainly due to increase in development properties and prepaid costs, trade and other receivables and prepaid tax of approximately RMB2,074.8 million, partially offset by increase in contract liabilities of approximately RMB1,724.2 million.

The Remaining Group's bank and other borrowings are denominated in Renminbi, Singapore Dollar and Malaysia Ringgit. As at 31 December 2019, the Remaining Group's total outstanding loans and borrowings amounted to approximately RMB2,405.3 million. Particulars of loans and borrowings of the Remaining Group as at 31 December 2019 are set out in Note 24 to the consolidated financial statements as set out in the annual report for the year ended 31 December 2019.

Treasury and Investment Management

The Remaining Group prepare its monthly, quarterly and annual cash flow budgets in accordance to the Remaining Group's internal rules and regulations, to forecast and manage the working capital needs of the Remaining Group and its subsidiaries for business expansion and other investments, to ensure that there is sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Remaining Group's reputation.

In order to ensure the proper application of funds available to the Remaining Group investment, it has established policies and procedures on its investment management. Generally, the Remaining Group's investment manager is responsible for managing and monitoring its investment portfolio on a daily basis.

Any fund transfer for trading purposes, acquisitions and disposal of any investments shall be reviewed by the Remaining Group's senior management and approved by the Remaining Group's Executive Chairman before execution. The Remaining Group's investment manager will prepare monthly trading summary report comprised of the detailed balance of its investment portfolio, balance of its available fund and trading gain or loss as of the month end and report to its senior management and Executive Chairman.

Significant Investments Held

The Remaining Group did not hold any significant investment in equity interest in any other company during year ended 31 December 2019.

Employees and Remuneration

As at 31 December 2019, there were 478 employees (2018: 403) in the Remaining Group.

Total employee benefits expenses of the Remaining Group (including Directors' fee) for the year ended 31 December 2019 were approximately RMB85.0 million (2018: RMB73.9 million). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority.

The Remaining Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Remaining Group's results of operations.

Charge of Assets

The loans and borrowings for the Remaining Group include banker's acceptance, lease liabilities, bank overdrafts, bank loans, loans from trust finance company and other loans. The borrowings are secured by investment properties, legal mortgages of the property development units, and corporate guarantee from the Company as well as guarantees from the third party companies. Particulars of charge of assets of the Remaining Group as at 31 December 2019 are set out in Notes 4, 7, 19 and 24 to the consolidated financial statements as set out in the annual report for the year ended 31 December 2019.

Gearing Ratio

Gearing ratio is calculated based on the Remaining Group's total debt less cash and cash equivalents divided by total equity. Total debt includes interest bearing loans and borrowings. As at 31 December 2019, the Remaining Group had gearing ratio of 81% (31 December 2018: 69%).

Foreign Exchange Exposure

The Remaining Group's property development and equipment manufacturing businesses are principally conducted in RMB and SGD, which are the functional currencies of the respective subsidiaries of the Remaining Group. Most of the Remaining Group's monetary assets and liabilities are denominated in RMB and SGD. The Remaining Group's business operations do not involve much of international transactions. Accordingly, the Remaining Group considers that its exposure to foreign currency risk is not significant and hence the Remaining Group does not employ any financial instruments for hedging purposes.

Contingent Liabilities

Details of the contingent liabilities of the Remaining Group are set out in Note 35 to the consolidated financial statements as set out in the annual report for the year ended 31 December 2019, which included the guarantees given to banks in connection with banking facilities granted to third party property customers.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

During the year ended 31 December 2019, the Remaining Group acquired 37.5% equity interest in Hunan Jingke Property Co., Ltd. at the consideration of RMB30.0 million. Except for the above, there was no other material acquisition and disposal of subsidiaries by the Remaining Group during the year ended 31 December 2019.

D. FOR THE SIX MONTHS ENDED 30 JUNE 2020

Property development business

Property development sales decreased by 76% to approximately RMB36.9 million in the first half of 2020 as compared with the corresponding period of 2019 due to lower NSFA handed over to customers during the period under review, as a result of the outbreak of COVID-19 which affect the property handover schedule. Total NSFA handed over to customers for the current period amounted to approximately 5,488 sq.m. (2019: 10,512 sq.m.).

Revenue from property development business was mainly from the following projects, namely Weiye Oxygen Cube A and B (偉業氧立方A及B), Weiye Central Park (偉業中央公園) and Weiye West International Plaza (偉業西城國際廣場) and, which contributed approximately RMB11.5 million, RMB9.4 million and RMB6.3 million respectively.

The GP margin of property development business for the first half of 2020 was 10%, which was lower than the same period of the previous year mainly due to significant drop in sales of shops, commercial offices and car parks which have higher GP margin and all the sales of property development business recognized during the period under review are related to unsold units of the projects which were sold at lower price.

Equipment manufacturing business

The sales of manufacturing equipment comprised of clean room equipment ("**CRE**"), air purification equipment, Heating, Ventilation and Air Conditioning ("**HVAC**") equipment and marine damper products. The equipment manufacturing business also affected by the COVID-19 pandemic, the factory was temporarily closed during the part of period under review as a result of the movement control order imposed by the government of Malaysia.

Thus, the overall revenue of the equipment manufacturing business decreased significantly by 43% to RMB15.6 million for the first half of 2020 as compared to the same period of 2019.

The GP margin for equipment manufacturing business for the first half of 2020 was 13%, which was lower than the corresponding period of 2019 mainly due to an significant drop in revenue while the labour and production cost kept constant, the GP margin eventually dropped.

Financial Resources and Liquidity

As at 30 June 2020, the Remaining Group's net current assets amounted to approximately RMB2,154.9 million, which was increased by 4.1% as compared to 31 December 2019, this was mainly due to increase in development properties and prepaid costs of approximately RMB399.7 million and decrease in loans and borrowings – current liabilities of approximately RMB255.6 million, partially offset by increase in contract liabilities of approximately RMB531.6 million. Bank and other borrowings are mainly denominated in RMB, Hong Kong Dollar ("**HKD**"), United States Dollar ("**USD**") and Malaysia Ringgit. As at 30 June 2020, the total outstanding loans and borrowings amounted to approximately RMB2,646.9 million and cash and cash equivalents amounted to approximately RMB859.7 million. Particulars of loans and borrowings of the Remaining Group as at 30 June 2020 are set out in Note 12 to the condensed consolidated financial statements which are set out in the interim report for the six months ended 30 June 2020.

Treasury and Investment Management

The Remaining Group prepare its monthly, quarterly and annual cash flow budgets in accordance to the Remaining Group's internal rules and regulations, to forecast and manage the working capital needs of the Remaining Group and its subsidiaries for business expansion and other investments, to ensure that there is sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses, or risking damage to the Remaining Group's reputation.

In order to ensure the proper application of funds available to the Remaining Group investment, it has established policies and procedures on its investment management. Generally, the Remaining Group's investment manager is responsible for managing and monitoring its investment portfolio on a daily basis.

Any fund transfer for trading purposes, acquisitions and disposal of any investments shall be reviewed by the Remaining Group's senior management and approved by the Remaining Group's Executive Chairman before execution. The Remaining Group's investment manager will prepare monthly trading summary report comprised of the detailed balance of its investment portfolio, balance of its available fund and trading gain or loss as of the month end and report to its senior management and Executive Chairman.

Significant Investments Held

The Remaining Group did not hold any significant investment in equity interest in any other company during the six months ended 30 June 2020.

Employees and Remuneration

As at 30 June 2020, there were 514 (2019: 478) employees in the Remaining Group. Total employee benefits expenses of the Remaining Group (including Directors' fee) for the six months ended 30 June 2020 were approximately RMB48.0 million (2019: RMB44.1 million). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority. The Remaining Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and the Remaining Group's results of operations.

Charge of Assets

The loans and borrowings for the Remaining Group include banker's acceptance, finance lease liabilities, bank overdrafts, bank loans, loans from trust finance company and other loans. The borrowings are secured by investment properties, legal mortgages of the property development units and property, plant and equipment, and corporate guarantee from the Company as well as guarantees from the third party companies. The Remaining Group charged assets of subsidiaries, property development units and investment properties, and property, plant and equipment to secure bank loans and other borrowings granted to the Remaining Group.

Gearing Ratio

Gearing ratio is calculated based on the Remaining Group's total debt less cash and cash equivalents divided by total equity. Total debt includes interest bearing loans and borrowings. As at 30 June 2020, the Remaining Group had gearing ratio of 107% compared to that of 81% as at 31 December 2019.

Foreign Exchange Exposure

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

Contingent Liabilities

Details of the contingent liabilities of the Remaining Group are set out in Note 18 to the condensed consolidated financial statements as set out in the interim report for the six months ended 30 June 2020, which included guarantees granted to financial institutions on behalf of purchasers of property units.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in the interim report for the six months ended 30 June 2020, there was no material acquisition and disposal of subsidiaries by the Remaining Group during the six months ended 30 June 2020.

A. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF THE REMAINING GROUP

Basis of preparation and introduction

The unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") presented below is prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules to illustrate (a) unaudited pro forma consolidated statement of the financial position of the Remaining Group as if the Proposed Disposal had been completed on 30 June 2020; and (b) unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flow of the Remaining Group for the year 31 December 2019 as if the Proposed Disposal had been completed on 1 January 2019. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Remaining Group as at 30 June 2020 or at any future date had the Proposed Disposal been completed on 30 June 2020 or the results and cash flows of the Remaining Group for the year ended 31 December 2019 or for any future period had the Proposed Disposal been completed on 1 January 2019.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of the financial position of the Group as at 30 June 2020 which has been extracted from the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020 as set out in the 2020 Interim Report of the Company, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2019 which have been extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2019 as set out in the 2019 Annual Report of the Company, and the unaudited financial information of the Target Company after giving effect to the pro forma adjustments described in the notes and is prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

As at 30 June 2020

	The Group (unaudited)	**Pro forma adjustments**								**The Remaining Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(i))	*(Note 2(i))*	*(Note 2(ii))*	*(Note 3)*	*(Note 4)*	*(Note 5)*	*(Note 6(i))*	*(Note 6(ii))*	*(Note 7 and Note 8)*	
NON-CURRENT ASSETS										
Investment properties	481,000									481,000
Property, plant and equipment	76,540									76,540
Intangible assets	1,674									1,674
Joint ventures	360,000									360,000
Trade and other receivables	177,161									177,161
Deferred tax assets	60,805									60,805
	1,157,180									1,157,180
CURRENT ASSETS										
Development properties and prepaid costs	5,155,012	516,522	266,435		80,024		(596,546)	(266,435)		5,155,012
Inventories	22,996									22,996
Contract costs	92,673									92,673
Trade and other receivables	1,264,464	195	(583,220)		1,017		(1,212)			681,244
Contract assets	661,447									661,447
Prepaid tax	188,998									188,998
Other investments	7,122									7,122
Cash and cash equivalents	859,660	475			(474)	(1,108)	(1)		363,693	1,222,245
	8,252,372									8,031,737
CURRENT LIABILITIES										
Trade and other payables	1,151,706	109,828			58,899		(168,727)			1,151,706
Contract liabilities	3,272,884									3,272,884
Loans and borrowings	1,362,316	23,970			20,990		(44,960)			1,362,316
Amount due to the group company	–	333,720	(333,720)		1,108	(1,108)	(334,828)		334,828	–
Income tax payable	310,527								42,449	352,976
	6,097,433									6,139,882

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP – continued

As at 30 June 2020

	The Group (unaudited)				**Pro forma adjustments**					**The Remaining Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(i))	*(Note 2(i))*	*(Note 2(ii))*	*(Note 3)*	*(Note 4)*	*(Note 5)*	*(Note 6(i))*	*(Note 6(ii))*	*(Note 7 and Note 8)*	
NET CURRENT ASSETS	2,154,939									1,891,855
NON-CURRENT LIABILITIES										
Loans and borrowings	1,284,535								(390,000)	894,535
Deferred tax liabilities	364,114		66,609					(66,609)		364,114
	1,648,649									1,258,649
NET ASSETS	1,663,470									1,790,386
FINANCED BY:										
Share capital	359,700	50,000		(50,000)						359,700
Reserves	1,005,802	(326)		326	(430)				127,346	1,132,718
Equity attributable to owners of the Company	1,365,502									1,492,418
Non-controlling interests	297,968									297,968
TOTAL EQUITY	1,663,470									1,790,386

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group (audited)	**Pro forma adjustments**		**The Remaining Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(ii))	*(Note 4)*	*(Note 8)*	
Revenue	763,062			763,062
Cost of sales	(595,446)			(595,446)
Gross profit	167,616			167,616
Other income	47,630	1,103	169,795	218,528
Selling and distribution expenses	(46,765)			(46,765)
Administrative expenses	(145,929)	(1,533)		(147,462)
Other operating expenses	(1,730)			(1,730)
Results from operations	20,822			190,187
Net finance costs	(39,505)			(39,505)
(Loss)/profit before taxation	(18,683)			150,682
Income tax expense	(38,183)		(42,449)	(80,632)
(Loss)/profit for the year	(56,866)			70,050
(Loss)/profit attributable to:				
Owners of the Company	(30,890)	(430)	127,346	96,026
Non-controlling interests	(25,976)			(25,976)
(Loss)/profit for the year	(56,866)			70,050

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP – continued

For the year ended 31 December 2019

	The Group (audited)	**Pro forma adjustments**		**The Remaining Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(ii))	*(Note 4)*	*(Note 8)*	
Other comprehensive loss				
Items that may reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(4,975)			(4,975)
Total other comprehensive loss for the year, net of tax	(4,975)			(4,975)
Total comprehensive (loss)/income for the year	(61,841)			65,075
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(34,110)	(430)	127,346	92,806
Non-controlling interests	(27,731)			(27,731)
Total comprehensive (loss)/income for the year, net of income tax	(61,841)			65,075

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

For the year ended 31 December 2019

	The Group (audited)	Pro forma adjustments					The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(ii))	*(Note 4)*	*(Note 5)*	*(Note 8)*	*(Note 9)*	*(Note 10)*	
Cash flows from operating activities							
(Loss)/profit before taxation	(18,683)	(430)		169,795			150,682
Adjustments for:							
Amortisation of intangible assets	200						200
Changes in fair value of investment properties	(15,000)						(15,000)
Depreciation of property, plant and equipment	12,609						12,609
Gain on disposal of property, plant and equipment	(525)						(525)
Gain on disposal of other investments	(13)						(13)
Gain on disposal of investment properties	(24)						(24)
Gain on disposal of a subsidiary	–			(169,795)			(169,795)
Gain on barging purchase arising from acquisition of a subsidiary	(17,745)						(17,745)
Gain on disposal of a joint venture	(4,172)						(4,172)
Finance costs	53,804						53,804
Interest income	(14,299)						(14,299)
Allowance for impairment loss reversed on trade and other receivables, net	(16)						(16)
Allowance for impairment loss reversed on contract assets	(2,755)						(2,755)
Net changes in fair value of other investments	247						247
Property, plant and equipment written off	764						764
Effects of exchange rate changes	(3,261)						(3,261)
	(8,869)						(9,299)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP – continued

For the year ended 31 December 2019

	The Group (audited)	Pro forma adjustments					The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(ii))	*(Note 4)*	*(Note 5)*	*(Note 8)*	*(Note 9)*	*(Note 10)*	
Changes in:							
Inventories	9,061						9,061
Development properties and prepaid costs	(308,215)	(80,024)					(388,239)
Contract costs	(37,902)						(37,902)
Trade and other receivables	(401,440)	(1,017)					(402,457)
Contract assets	105,995						105,995
Trade and other payables	226,799	58,899					285,698
Contract liabilities	1,242,566						1,242,566
Cash from operating activities	827,995						805,423
Income taxes paid	(243,815)						(243,815)
Net cash from operating activities	584,180						561,608
Cash flows from investing activities							
Acquisition of intangible assets	(980)						(980)
Interest received	3,283						3,283
Net cash inflow/(outflow) from acquisition of a subsidiary	70,065				(249,025)		(178,960)
Proceeds from disposal of investment properties	1,083						1,083
Repayment from a joint venture partner	17,574						17,574
Amounts due from non-controlling interests (non-trade)	(81,140)						(81,140)
Proceeds from disposal of property, plant and equipment	654						654
Proceeds from disposal of other investments	57,873						57,873
Purchase of property, plant and equipment	(2,644)						(2,644)
Purchase of other investments	(65,599)						(65,599)
Net proceeds from disposal of a subsidiary, net of cash and bank balance disposed of	–					753,692	753,692
Net cash from investing activities	169						504,836

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP – continued

For the year ended 31 December 2019

	The Group (audited)	Pro forma adjustments					The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1(ii))	*(Note 4)*	*(Note 5)*	*(Note 8)*	*(Note 9)*	*(Note 10)*	
Cash flows from financing activities							
Increase in restricted cash	(292,326)						(292,326)
Interest paid	(286,968)						(286,968)
Repayment of principal portion of the lease liabilities	(5,379)						(5,379)
Repayment of loans and borrowings	(893,110)					(390,000)	(1,283,110)
Amounts due to non-controlling interests (non-trade)	(378,913)						(378,913)
Proceeds from loans and borrowings	1,127,489	20,990					1,148,479
Increase in amount due to the group company	–	1,108	(1,108)				–
Net cash used in financing activities	(729,207)						(1,098,217)
Net (decrease)/increase in cash and cash equivalents	(144,858)	(474)	(1,108)		(249,025)	363,692	(31,773)
Cash and cash equivalents at 1 January	529,153						529,153
Effect of exchange rate fluctuations on cash held	(254)						(254)
Cash and cash equivalents at 31 December	384,041						497,126

Notes:

(1) (i) The amounts are extracted from the consolidated statement of financial position of the Group as at 30 June 2020 as set out in the published 2020 interim report of the Company.

(ii) The amounts are extracted from the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of cash flows of the Group for the year ended 31 December 2019 as set out in the published 2019 annual report of the Company.

(2) The adjustments represent the acquisition of the Target Company on 31 July 2020, the completion date of the acquisition of the Target Company.

(i) The amounts are extracted from the unaudited statement of financial position of the Target Company as at 31 July 2020.

(ii) The increase in development properties and prepaid costs of RMB266,435,000 and deferred tax liabilities recognised of RMB66,609,000 (the "**premium paid for acquisition of the Target Company**") represent the excess of the consideration of RMB200,000,000 and RMB49,500,000 capital injection paid by the Group over the net identifiable assets acquired and liabilities assumed of the Target Company of RMB49,674,000.

Under International Financial Reporting Standard 3 "Business Combination", the acquisition of the Target Company will not be constituted as a business acquisition and will be accounted for as acquisition of assets.

(3) The adjustment represents the elimination of paid-in capital and pre-acquisition reserves of the Target Company.

(4) The adjustment represents the results, cashflows and movements of the assets and liabilities of the Target Company during the period from 1 August 2020 to 30 September 2020.

(5) The adjustment represents the advances from the Group to the Target Company during the period from 1 August 2020 to 30 September 2020.

(6) The adjustments represent the exclusion of assets and liabilities of the Target Company as at 30 September 2020, the most recent interim period of the financial information of the Target Company, assuming the Proposed Disposal had taken place on 30 June 2020.

(i) The amounts are extracted from the unaudited statement of financial position of the Target Company as at 30 September 2020.

(ii) The increase in development properties and prepaid costs of RMB266,435,000 and deferred tax liabilities recognised of RMB66,609,000 represent the excess of the consideration over the net identifiable assets acquired and liabilities assumed upon the acquisition of the Target Company.

(7) The estimated net proceeds as if the Proposed Disposal had taken place on 30 June 2020 is calculated as follows:

	RMB'000
Consideration	975,430
Less: Repayment of the Loan	(390,000)
Less: Settlement of the Target Company's liabilities (other than those amount due to the group company)*	(213,687)
Estimated expenses directly attributable to the Proposed Disposal	(8,050)
Estimated net proceeds	363,693

(8) The estimated gain as if the Proposed Disposal had taken place on 1 January 2019 or 30 June 2020, as appropriate is calculated as follows:

	RMB'000
Consideration	975,430
Less: The Target Company's liabilities (other than those amount due to the group company) as at 30 September 2020*	(213,687)
Amount due to the group company (i.e. the immediate holding company)*	(334,828)
	426,915
Less: Net assets of the Target Company as at 30 September 2020	(49,244)
The excess of the consideration over the net identifiable assets acquired and liabilities assumed of the Target Company as at 31 July 2020 (the "**premium paid for acquisition of the Target Company**")	(199,826)
Estimated expenses directly attributable to the Proposed Disposal	(8,050)
Estimated gain before taxation	169,795
Less: Estimated income tax on the Proposed Disposal calculated at the applicable tax rate	(42,449)
Estimated gain after taxation	127,346

* Assuming the amount due to the group company had been settled by the Vendor by using part of the proceeds of the Consideration.

(9) The adjustment represents the consideration and capital injection paid of RMB249,500,000 and cash and cash equivalents acquired of RMB475,000 upon the acquisition of the Target Company.

(10) The estimated net proceeds as if the Proposed Disposal had taken place on 1 January 2019, net of cash and bank balance disposed of, is calculated as follows:

	RMB'000
Consideration	975,430
Less: Settlement of the Target Company's liabilities (other than those amount due to the group company)*	(213,687)
Estimated expenses directly attributable to the Proposed Disposal	(8,050)
Cash and cash equivalent of the Target Company as at 30 September 2020	(1)
Net proceeds from disposal of a subsidiary, net of cash and bank balance disposed of	753,692
Less: Repayment of the Loan	(390,000)
Estimated net proceeds, net of cash and bank balance disposed of	363,692

The following is the text of a report, prepared for the purpose of incorporation in this circular, from the independent reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Weiye Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Weiye Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2020, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flow for the year ended 31 December 2019 and related notes as set out on pages IV-1 to IV-10 of Appendix IV of the Company's circular dated 30 November 2020 (the "**Circular**"), in connection with the proposed disposal of entire equity interest in the Target Company (the "**Proposed Disposal**") by the Company. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on IV-1 to IV-10 of Appendix IV of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Disposal on the Company's consolidated financial position as at 30 June 2020 and the Company's consolidated financial performance and consolidated cash flows for the year ended 31 December 2019 as if the Proposed Disposal had taken place at 30 June 2020 and 1 January 2019 respectively. As part of this process, information about the Company's consolidated financial position has been extracted by the directors of the Company from the Company's unaudited consolidated interim financial statements for the six months ended 30 June 2020, in which no audit or review report has been published and the Company's consolidated financial performance and consolidated cash flows has been extracted by the directors of the Company from the Company's consolidated financial statements for the year ended 31 December 2019, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standards on Assurance Engagement 3420, "Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal at 30 June 2020 and 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the director in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

30 November 2020

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuations as at 30 September 2020 of the property interest to be disposed by the Group in the People's Republic of China.

ROMA

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Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http://www.romagroup.com

30 November 2020

Weiye Holdings Limited
Unit 912, 9/F Two Harbourfront
22 Tak Fung Street
Hunghom, Kowloon

Dear Sir/Madam,

Re: Property valuation of an under construction development situated in Huizhou City, Guangdong Province, the People's Republic of China

1. INSTRUCTIONS

In accordance with your instructions for us to value the property to be disposed by Weiye Holdings Limited (the "**Company**") and/or its subsidiaries (together with the Company referred to as the "**Group**") situated in Huizhou City, the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 September 2020 (the "**Valuation Date**") for public documentation purpose.

2. BASIS OF VALUATION

Our valuation of the property is our opinion on the basis of market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

3. VALUATION STANDARDS

Our valuation is prepared in accordance with the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors, HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council; and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited issued by the Stock Exchange of Hong Kong Limited.

4. VALUATION METHODOLOGY

We have valued the property by the direct comparison approach. We have made reference to comparable land transactions with similar characteristics including but not limited to location, size, permitted usages, development restrictions, site condition, etc., which are analyzed and weighed against all respective advantages and disadvantages of each comparable transactions in order to arrive at a fair comparison of value.

We have considered the latest approved development schemes provided to us, which we have been advised that such schemes have been complied with all the development restrictions, limitations and requirements as stipulated by the relevant government authorities and regulations. We assumed the property will be developed and completed in accordance with such schemes including usages, floor areas, building quality, etc. We have assumed all the material consents, approvals and licenses from relevant government authorities have been or will be obtained without onerous conditions or delays. We have also taken into consideration of the incurred development costs and the estimated outstanding development cost as per information provided by the Group.

5. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. We assumed that the owner of the property has enforceable titles to the property and has free and uninterrupted rights to occupy, transfer, lease or assign the property in the open market for the whole of the unexpired land use right terms as granted. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the property. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

6. SOURCE OF INFORMATION

In the course of our valuation, we have relied on a very considerable extent on the legal opinions provided by the Group's PRC legal adviser, Guang Dong Shiwen Law Firm (the "**PRC**

Legal Adviser"), and the information provided by the Group and we have accepted advice given to us on matters such as identification of property, planning approvals or statutory notices, easements, tenure, development schemes, development cost, and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

7. TITLE INVESTIGATION

We have been provided with copies of extracts of title documents relating to the property in the PRC and we have relied on the advice and information given by the Group and the Group's PRC Legal Adviser, regarding the titles of the property in the PRC. All information of such documents disclosed in this report have been used for reference only and we do not accept any liability for any interpretation or legality of such documents which were advised by the Group's PRC Legal Adviser.

8. INSPECTION AND INVESTIGATIONS

We have inspected the property, however, we have not carried out investigations on the site to determine the suitability of the ground conditions and services for any future development. We have not carried out investigation regarding the past or present uses, either of the land of the property or of any neighboring land, to establish whether there is any contamination or potential for contamination to the property from these uses, and have therefore assumed that none of such exists. We have not carried out on-site measurement to verify the areas of the property under consideration, including the site area or the floor areas of the buildings and structures, etc., and we have assumed that the areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

9. CURRENCY

Unless otherwise stated, all monetary amounts stated in our valuation are in Renminbi ("**RMB**").

Our Valuation Certificate is attached herewith.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Frank F. Wong
BA (Business Admin in Acct/Econ) MSc (Real Est)
MRICS Registered Valuer MAusIMM ACIPHE
Director

Note: Mr. Frank F. Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering with over 21 years of valuation, transaction advisory and project consultancy experience of properties in Hong Kong and 13 years of experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, Thailand, France, Germany, Poland, United Kingdom, United States, Abu Dhabi (UAE), Ukraine and Jordan.

VALUATION CERTIFICATE

Property to be disposed by the Group in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2020
The under construction development project (namely "**Wenhan Garden**") situated at Tanhua Road, Danshui Subdistrict, Huiyang District, Huizhou City, Guangdong Province, The PRC 一個位於中國廣東省惠州市惠陽區淡水街道曇華路之發展中項目(文瀚花園)	The property comprises a parcel of land with a site area of approximately 44,854 sq.m., as per the Real Estate Ownership Rights Certificate, with development under construction thereon. Pursuant to the latest approved development scheme provided by the Group, the property will be developed into a comprehensive residential and commercial development, namely "Wenhan Garden", with a total gross floor area ("**GFA**") of approximately 218,716.00 sq.m., comprising nine 30–31 storey residential towers, two 19–20 storey office towers, various ancillary facilities and a 2 storey basement for underground carpark and plant rooms (GFA breakdown refers to note 3). The vicinity of the property is mainly predominated by residential developments and it is situated about 1.5km from the Huiyang CBD area and about 2.8km away from the Huizhou South Railway Station. The land use rights of the property have been granted for residential use for a term from 14 March 2020 to 13 March 2090; and commercial use for a term from 14 March 2020 to 13 March 2060.	As at the Valuation Date, the property was under development. As advised by the Group, the proposed development is expected to be completed by phases between 2022 and 2023.	RMB910,000,000 (RENMINBI NINE HUNDRED AND TEN MILLION)

Notes:

1. Pursuant to the Real Estate Ownership Rights Certificate Number Yue (2020) Huizhou City Budongchanquan No. 3020982 (粵(2020)惠州市不動產權第3020982號) issued on 28 April 2020, the land use rights of the property have been granted to Huiyang Jinlida Property Management Co., Ltd. (惠陽金利達物業管理有限公司) ("**Huiyang Jinlida**"), is a wholly-owned subsidiary of the Group established in the PRC, material details are summarized as below:

i.	Real Estate ID:	441303001306GB00136W00000000
ii.	Site Area:	44,854 sq.m.
iii.	Usages:	Residential and Commercial
iv.	Land Use Right Expiry dates:	13 March 2090 (Residential); 13 March 2060 (Commercial)

2. The Construction Land Use Planning Permit Number Dizi No. 441303202010221 (地字第441303202010221號) of the property was issued on 6 July 2020, material details are summarized as below:

i.	Site Area:	44,695 sq.m. (accountable for building parameters calculations)
ii.	Usages:	Residential 2
iii.	Plot Ratio:	≤ 3.7
iv.	Maximum GFA accountable for plot ratio:	165,371.5 sq.m.
v.	Building Coverage Ratio:	≤ 35%
vi.	Site Greenery Coverage Ratio:	≥ 25%

3. Pursuant to the Construction Works Planning Permit Number Jianzi No. 441303202010465 (建字第441303202010465號) and the attached approved master layout plan with building parameters issued on 17 August 2020, the proposed development will comprise nine 30–31 storey residential towers, two 19–20 storey office towers, various ancillary and community facilities, a 2 storey basement for underground car parking and plant rooms, and 121 aboveground and 1,533 underground car parking spaces. GFA breakdown of the proposed development is summarized as below:

Usages	**GFA** *(sq.m.)*
Residential	130,430.34
Community building	803.82
Ancillary facilities (residential)	985.28
Commercial (street shops)	3,316.45
Commercial office	29,040.59
Ancillary facilities (commercial)	708.64
GFA accountable for plot ratio	**165,285.12**
Underground carpark and plant rooms	48,753.00
Transfer plates	4,677.88
GFA non-accountable for plot ratio	**53,430.88**
Total GFA	**218,716.00**
Aboveground car parking spaces	121
Underground car parking spaces	1,533

4. Pursuant to the Construction Works Commencement Permit Number *441303202009030101* issued on 8 September 2020, construction work of "Wenhan Garden (Zone 1) – Blocks 1–4 & 9, ancillary facilities, basement (1)" with a total GFA of 119,171 sq.m. was permitted to commence.

5. The status of the major relevant approvals and certificates regarding the property is summarized as below:

State-owned Land Use Rights Grant Contract	Yes
Real Estate Ownership Rights Certificate	Yes
Construction Land Use Planning Permit	Yes
Construction Works Planning Permit	Yes
Construction Works Commencement Permit	Partial
Construction Works Completion Certification	NA
Pre-sale Permit	NA

Note: As advised by the Group, the proposed development is to be developed by various phases, as at the Valuation Date, only Construction Works Commencement Permit of Zone 1 of the proposed development have been issued (refer to Note 4), and therefore the status is noted as "Partial". As the property is to be disposed, we are not able to advise the detailed future development timeline and the application dates of the permits of the other portions of the proposed development which will be decided by the purchaser.

For the major relevant approvals and certificates which the status noted as NA (not applicable), the construction progress of the proposed development has not yet reached the stages that is eligible to apply for such approvals and certificates as the Valuation Date, but they are expected to be obtained when the construction of the proposed development has reached later stages.

6. As advised by the Group, as at the Valuation Date, the incurred development cost of the property was about RMB167,576,000.

7. The gross development value of the property, i.e. assuming the proposed development has been completed in accordance with the latest development scheme, complied with all the statutory requirements and can be freely transferred in the open market as at the Valuation Date, was estimated to be approximately RMB2,710,000,000.

8. The site inspection was performed by Mr. Jack Jun Jie Zhou, MSc (Real Estate & Hospitality Asset), with over 2 years property valuation experience in the PRC in October 2020.

9. Pursuant to the Loan Contract No.51021003-2019 Nian (Shenzhen) Zi 0026 Hao (編號: 51021003-2019年(深圳)字0026號) dated 29 September 2019, Loan Contract Supplementary Agreement No.51021003-2019 Nian (Shenzhen) Zi 0026 Hao-A01 (編號: 51021003-2019年(深圳)字0026號-A01) dated 9 April 2020 and Loan Contract Supplementary Agreement No.51021003-2019 Nian (Shenzhen) Zi 0026 Hao-A02 (編號: 51021003-2019年(深圳)字0026號-A02) dated 7 May 2020, the property is subject to a mortgage for the amount of RMB390,000,000 in favor of The Chinese Merchandise Bank, Ltd. Shenzhen Branch (華商銀行深圳分行).

10. Pursuant to a Mortgage Contract (抵押合同) No.51021003-2020 Nian Shenzhen (Di) Zi 0023 Hao (合同編號: 51021003-2020年深圳(抵)字0023號) dated 7 May 2020, the property is subject to a mortgage for the amount of RMB390,000,000 in favor of The Chinese Merchandise Bank, Ltd. Shenzhen Branch (華商銀行深圳分行).

11. Pursuant to a State-Owned Construction Land Use Right Transfer Contract (國有建設用地使用權出讓合同) No.441303-2020-000025 dated 13 March 2020, the purchase price of the land with site area of 44,917 sq.m. is RMB394,589,069.34.

12. We have been provided with a legal opinion issued by the Group's PRC Legal Adviser, which contains, inter alia, the following information:

    i. Huiyang Jinlida is the legal owner of the property and has right to occupy, use, lease, transfer and mortgage or otherwise dispose of the property with legal protection under the PRC law;

    ii. All land premium and other costs of ancillary utility services have been settled in full;

    iii. Except the mortgage detailed in Notes 9 and 10, the property is not subject to any other mortgages or other material encumbrances; and

    iv. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares or Debentures of the Company or its Associated Corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares or underlying shares of or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name of Director	Capacity/Nature of Interest	Number and class of securities	Approximate percentage of interest
Mr. Zhang Wei *(Note)*	Beneficial Interest	91,029,648(L)*	46.41%
	Controlled corporation *(Note)*	15,792,290(L)*	8.05%
Chen Zhiyong	Beneficial Interest	40,240,256(L)*	20.52%

Note: Mr. Zhang Wei is deemed to be interested in 15,792,290 Shares held by Fine Skill Holdings Limited, a company wholly-owned by Mr. Zhang Wei. Mr. Zhang Wei is a director of Fine Skill Holdings Limited.

(L)*: denotes a long position

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them had taken or deemed to have taken under the provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

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

Name of substantial Shareholders	Capacity/Nature of Interest	Number and class of securities	Approximate percentage of interest
Fine Skill Holdings Limited	Beneficial Interest	15,792,290(L)*	8.05%

(L)*: denotes a long position

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons or entities other than the Directors and chief executive of the Company who had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company under Section 336 of the SFO.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best of knowledge of the Directors, none of the Directors and their respective close associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

The Group had obtained a loan from a connected entity controlled by Mr. Zhang Wei with principal amount of HK$145,000,000 (equivalent to RMB126,086,957) which is unsecured, interest bearing at 16% per annum and repayable on demand. Save as disclosed, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the business of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the experts whose advice or opinion are included in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants
Roma Appraisals Limited	Professional property valuer

As at the Latest Practicable Date, each of BDO Limited and Roma Appraisals Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of BDO Limited and Roma Appraisals Limited had any shareholding interests in the Company or any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in the Company or any member of the Group.

As at the Latest Practicable Date, none of BDO Limited and Roma Appraisals Limited had any interest, direct or indirect, in any assets which had been, since 31 December 2019 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years preceding the Latest Practicable Date and are or may be material:

(a) the capital increase agreement dated 9 December 2019 and entered into among Henan Weiye Construction Development Group Co., Ltd (河南偉業建設開發集團有限公司) (an indirect wholly-owned subsidiary of the Company), Li Rongyu (李榮玉) and Li Minghai (李明海) (who are independent third parties), and Hunan Jingke Property Co., Ltd. (湖南精科置業有限公司), pursuant to which Henan Weiye Construction Development Group Co., Ltd agreed to subscribe for the increased registered capital of Hunan Jingke Property Co., Ltd. of RMB30,000,000, details of which are set out in the announcement of the Company dated 9 December 2019;

(b) the series of agreements dated 10 May 2019 and entered into between Henan Xingwei Property Company Limited (河南興偉置業有限公司) ("**Henan Xingwei**") (and/or the Henan Xingwei Zhuolian Property Company Limited (河南興偉卓聯置業有限公司) (the "**Project Company**")) as borrower and Chang'an International Trust Company Limited (長安國際信託股份有限公司) ("**CITC**") as lender, 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 funding purpose of the real estate development project of the Project Company, details of which are set out in the announcement of the Company dated 10 May 2019; and

(c) the Equity Transfer Agreement.

9. GENERAL

(a) The registered office of the Company is situated at 100H Pasir Panjang Road #01-01, OC@Pasir Panjang, Singapore 118524. The headquarters and principal place of business in the PRC of the Company is situated at 33rd Floor, Building No. 1, Fangdacheng, Longzhu Forth Road No.2, Nanshan District, Shenzhen City, Guangdong Province, the PRC. The Company's principal place of business in Hong Kong is situated at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

(b) The joint company secretaries of the Company are Ms. Shirley Tan Sey Liy and Mr. Man Yun Wah. Ms. Shirley Tan Sey Liy is a fellow member of the Associate of The Chartered Governance Institute and Mr. Man Yun Wah is a fellow member of the Hong Kong Institute of Chartered Secretaries.

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 5:00 p.m. from the date of this circular up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the three years ended 31 December 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020;

(c) the unaudited pro forma financial information issued by BDO Limited, the text of which is set out in Appendix IV to this circular;

(d) the valuation report on the Land prepared by Roma Appraisals Limited, the text of which is set out in Appendix V to this circular;

(e) the written consent given by BDO Limited and Roma Appraisals Limited, as referred to in the section headed "Qualification and Consent of Expert" in this Appendix;

(f) the material contracts referred to in the section headed "Material Contracts" in this Appendix; and

(g) this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**EGM**") of Weiye Holdings Limited (the "**Company**") will be held at 33rd Floor, Building No. 1, Fangdacheng Longzhu Forth Road No. 2, Nanshan District, Shenzhen City, Guangdong Province, the PRC on Thursday, 24 December 2020 at 9:30 a.m. for the following purposes:

ORDINARY RESOLUTION

1. "**THAT**

(a) the equity transfer agreement dated 29 October 2020 (the "**Equity Transfer Agreement**") entered into between Weiye Holdings (Shenzhen) Group Co., Ltd.* (煒業控股(深圳)集團有限公司) (the "**Vendor**"), Dongguan City Zhongtian Huijing Industry Investment Co., Ltd.* (東莞市中天薈景實業投資有限公司) (the "**Purchaser**"), Hainan Hongji Weiye Property Development Co., Ltd.* (海南宏基偉業房地產開發有限公司) and Huiyang Jinlida Property Management Co., Ltd.* (惠陽金利達物業管理有限公司) (the "**Target Company**"), pursuant to which the Vendor conditionally agreed to sell the entire equity interest of the Target Company (the "**Sale Equity**"), and the Purchaser conditionally agreed to purchase the Sale Equity in respect of the intended property development project of the Target Company on 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), the terms and conditions thereof and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) any one of the directors of the Company ("**Director(s)**") be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Equity Transfer Agreement and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Equity Transfer Agreement) as are, in the opinion of such Director, in the interest of the Company and its shareholders as a whole."

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

Hong Kong, 30 November 2020

Notes:

1. A Member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If the member is a corporation, the instrument appointing a proxy must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorised officer of the corporation.

3. The instrument appointing a proxy must be deposited at the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.

4. To ascertain the members' entitlement to attend and vote at the EGM, the register of members will be closed from Monday, 21 December 2020 to Thursday, 24 December 2020, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 18 December 2020.

5. All times and dates referred to in this notice refer to Hong Kong times and dates.

* *For identification purposes only*

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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