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WEIYE HOLDINGS LIMITED
偉業控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1570)

ANNOUNCEMENT OF FULL YEAR FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of WEIYE HOLDINGS LIMITED (the "**Company**") presents the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021, together with the comparative figures, as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	**2021**	2020
		RMB'000	*RMB'000*
Revenue	3	**1,019,338**	2,777,872
Cost of sales		**(847,093)**	(2,141,164)
Gross profit		**172,245**	636,708
Other income	4	**28,044**	186,503
Selling and distribution expenses		**(44,617)**	(63,347)
Administrative expenses		**(170,808)**	(188,216)
Other operating expenses		**(5,311)**	(5,289)
Share of loss from joint ventures		**(1,294)**	(3,050)
Results from operating activities		**(21,741)**	563,309
Net finance costs	5	**(44,976)**	(58,021)
(Loss)/profit before taxation	7	**(66,717)**	505,288
Income tax expense	6	**(10,675)**	(282,775)
(Loss)/profit for the year		**(77,392)**	222,513
(Loss)/profit attributable to:			
Owners of the Company		**(128,030)**	23,280
Non-controlling interests		**50,638**	199,233
(Loss)/profit for the year		**(77,392)**	222,513
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**5,312**	(3,167)
Total other comprehensive income/(loss) for the year, net of income tax		**5,312**	(3,167)
Total comprehensive (loss)/income for the year		**(72,080)**	219,346

	Note	**2021**	2020
		RMB'000	*RMB'000*
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(124,650)**	20,567
Non-controlling interests		**52,570**	198,779
Total comprehensive (loss)/income for the year, net of income tax		**(72,080)**	219,346
(Loss)/earnings per share:			
Basic (loss)/earnings per share *(RMB cents)*	8	**(65.28)**	11.87
Diluted (loss)/earnings per share *(RMB cents)*	8	**(65.28)**	11.87

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	**2021**	2020
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	9	**63,613**	84,564
Intangible assets		**985**	1,256
Investment properties		**478,000**	478,000
Joint ventures		**112,583**	357,950
Trade and other receivables	10	**192,160**	192,160
Deferred tax assets		**67,096**	42,923
		914,437	1,156,853
Current assets			
Inventories		**28,379**	17,281
Development properties and prepaid costs		**4,810,108**	4,339,069
Contract costs		**68,928**	39,054
Trade and other receivables	10	**498,537**	628,654
Contract assets		**657,264**	660,736
Other investments		**5,200**	9,000
Prepaid tax		**106,820**	69,032
Cash and cash equivalents		**916,946**	876,548
		7,092,182	6,639,374
Current liabilities			
Loans and borrowings	13	**1,185,224**	1,453,322
Trade and other payables	11	**1,295,732**	1,641,790
Contract liabilities		**2,546,213**	1,342,697
Income tax payable		**312,514**	433,519
		5,339,683	4,871,328
Net current assets		**1,752,499**	1,768,046

	Note	2021	2020
		RMB'000	*RMB'000*
Non-current liabilities			
Loans and borrowings	13	**344,018**	532,286
Deferred tax liabilities		**378,397**	376,012
		722,415	908,298
Net assets		**1,944,521**	2,016,601
Equity attributable to owners of the Company			
Share capital	12	**359,700**	359,700
Reserves		**988,794**	1,113,444
		1,348,494	1,473,144
Non-controlling interests		**596,027**	543,457
Total equity		**1,944,521**	2,016,601

NOTES

1. GENERAL INFORMATION

WEIYE HOLDINGS LIMITED (the "**Company**") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**") since 6 April 2016.

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2021 but are extracted from those financial statements.

The consolidated financial statements of the Group for the year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "**Group**") and the Group's interest in joint ventures.

The principal activities of the Company is investment holding and its subsidiaries are those of property developers for residential and commercial properties in the People's Republic of China (the "**PRC**"), and the manufacture and trading of heating ventilation and air-conditioning, air purification and clean room equipment.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**") and disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and other investments which have been measured at fair value.

2.3 Functional and presentation currency

The Company's functional currency is the Singapore dollar. As the Group's operations are principally conducted in the PRC, the consolidated financial statements have been presented in the Chinese Renminbi ("**RMB**"). All financial information presented in RMB has been rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services offered, and has two reportable operating segments as follows:

I. Property development

Property development includes the development and sales of both commercial and residential property units, construction of resettlement houses in the PRC and the leasing of investment properties to generate rental income and to derive capital gains from the investment properties in the long term.

II. Clean room equipment, heating ventilation and air-conditioning products, and air purification integrated solution ("Equipment manufacturing")

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. Clean room equipment includes fan filter units, air showers, clean booths, pass boxes, clean hand dryers and clean benches, amongst others. Heating ventilation and air-conditioning products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space. Air purification equipment (also referred to as air cleaners) are electrical devices that remove solid and gaseous pollutants from the air such as formaldehyde and PM2.5 which may pose adverse health risks that include breathing difficulties, asthma and allergies. Through the function of air filters or sterilising systems built into each air purifier, the concentration of dust, contaminants, fine particles and volatile organic compounds in the air are reduced to the benefit of individuals within the immediate vicinity. Integrated with air purification systems, other solution such as smart home equipment with integrated security system implementation services, renovation materials, and supply and installation of smart door and window systems have been included in this segment.

The Group's Executive Chairman ("**Chief Operating Decision Maker**") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Reconciliations of reportable revenue, profit or loss, assets and liabilities:

	Property development		Equipment manufacturing		Total	
	2021	2020	**2021**	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue:						
External customers	**938,605**	2,675,749	**80,733**	102,123	**1,019,338**	2,777,872
Inter-segment revenue	**–**	–	**–**	–	**–**	–
Segments results from operating activities	**(20,405)**	572,322	**(1,336)**	(9,013)	**(21,741)**	563,309
Interest income	**10,243**	15,626	**169**	277	**10,412**	15,903
Finance costs	**(46,938)**	(64,937)	**(8,450)**	(8,987)	**(55,388)**	(73,924)
Reportable segment (loss)/profit before taxation					**(66,717)**	505,288
Income tax expense					**(10,675)**	(282,775)
Non-controlling interests					**(50,638)**	(199,233)
(Loss)/profit attributable to owners of the Company					**(128,030)**	23,280
Reportable segment assets	**7,884,485**	7,668,609	**122,134**	127,618	**8,006,619**	7,796,227
Reportable segment liabilities	**(4,470,078)**	(3,739,433)	**(62,778)**	(54,585)	**(4,532,856)**	(3,794,018)
Loans and borrowings	**(1,366,066)**	(1,798,766)	**(163,176)**	(186,842)	**(1,529,242)**	(1,985,608)
Total liabilities					**(6,062,098)**	(5,779,626)
Other segment information						
Capital expenditure	**4,732**	3,674	**207**	465	**4,939**	4,139
Allowance for impairment loss made/(reversed) on trade and other receivables (excluding prepayments) and contract assets	**1,063**	226	**(417)**	81	**646**	307
Depreciation of property, plant and equipment	**8,583**	8,579	**6,965**	4,925	**15,548**	13,504
Amortisation of intangible assets	**202**	236	**89**	78	**291**	314

Geographical segment

The Group's geographical segments are based on the location of the Group's assets. Revenue to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following table presents revenue and certain non-current assets information regarding the Group's geographical segments as at and for the years ended 31 December 2021 and 31 December 2020.

	PRC	Singapore	Other countries	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2021				
Revenue	973,340	33,220	12,778	1,019,338
Non-current assets*	634,963	1,929	18,289	655,181
31 December 2020				
Revenue	2,729,177	36,553	12,142	2,777,872
Non-current assets*	897,593	3,843	20,334	921,770

* Excludes trade and other receivables and deferred tax assets.

4. OTHER INCOME

	2021	2020
	RMB'000	*RMB'000*
Changes in fair value of investment properties	**–**	(3,000)
Gain on disposal of property, plant and equipment	**1,292**	801
Gain on disposal of an associate	**4,219**	–
Gain on disposal of other investments	**164**	204
Gain on disposal of subsidiaries	**4,229**	177,852
Gain on reversal of other payables	**5,917**	–
Government grants	**215**	2,984
Net changes in fair value on other investments	**–**	151
Bargain purchase gain arising from business combination	**314**	–
Compensation income	**648**	1,225
Rental income	**6,146**	4,966
Others	**4,900**	1,320
	28,044	186,503

5. NET FINANCE COSTS

	2021	2020
	RMB'000	*RMB'000*
Interest income	**10,412**	15,903
Interest expenses on loans and borrowings	**(158,873)**	(247,218)
Interest expenses on lease liabilities	**(1,194)**	(1,338)
Others	**(329)**	(800)
Finance expenses, net	**(149,984)**	(233,453)
Finance cost capitalised in development properties	**105,008**	175,432
Net finance costs recognised in profit or loss	**(44,976)**	(58,021)

6. INCOME TAX EXPENSE

	2021	2020
	RMB'000	*RMB'000*
Current tax expense		
Current year income tax	**24,841**	142,779
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	**(25,647)**	3,860
Withholding tax on the profits of the Group's PRC subsidiaries	**–**	18,608
	(25,647)	22,468
Land appreciation tax ("LAT") expense		
LAT	**11,481**	117,528
Total tax expense	**10,675**	282,775

Singapore and PRC income tax liabilities are calculated at the applicable rates in accordance with the relevant tax laws and regulations in Singapore and the PRC.

Pursuant to a PRC Enterprise Income Tax Law promulgated on 16 March 2007, the enterprise income tax for both domestic and foreign-invested enterprises has been unified at 25% effective from 1 January 2008.

According to the Implementation Rules of the Corporate Income tax Law of the PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to 1 January 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognised for the dividends that have been declared, and deferred tax liability is recognised for those to be declared in the foreseeable future.

Certain subsidiaries within the Group are paying corporate income tax on a deemed tax basis as agreed with the local tax authorities. The tax obligations are determined by applying the corporate income tax rate on the deemed profit generated. The deemed profit generated is calculated based on a deemed profit rate on the revenue generated by the subsidiaries.

LAT is levied on properties in the PRC developed for sale by the Group at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds from the sale of properties less deductible expenditures which include lease charges of land use rights, borrowing costs and all property development expenditures. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for some of its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the difference realises.

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting) the followings:

	2021	2020
	RMB'000	*RMB'000*
Audit fees paid/payable	**2,607**	2,683
Non-audit fee paid/payable	**–**	578
Amortisation of intangible assets	**291**	314
Allowance for impairment loss (reversed)/made on trade and other receivables	**(45)**	349
Allowance for impairment loss made/(reversed) on contract assets	**691**	(42)
Depreciation of property, plant and equipment	**15,548**	13,504
Gain on disposal of other investments	**(164)**	(204)
Gain on disposal of an associate	**(4,219)**	–
Gain on disposal of subsidiaries	**(4,229)**	(177,852)
Net changes in fair value on other investments	**–**	(151)
Bargain purchase gain arising from business combination	**(314)**	–
Changes in fair value of investment properties	**–**	3,000
Raw materials, changes in finished goods and work-in-progress recognised	**62,076**	80,527
Property, plant and equipment written off	**2,878**	25

8. (LOSS)/EARNINGS PER SHARE

The following tables reflect the profit or loss and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 31 December:

	2021	2020
(Loss)/earnings per share is based on		
(Loss)/profit for the year attributable to owners of the Company *(RMB'000)*	**(128,030)**	23,280
Weighted average number of ordinary shares *('000)*	**196,133**	196,133
Basic and diluted (loss)/earnings per share *(RMB cents)*	**(65.28)**	11.87

Basic (loss)/earnings per share is calculated on the Group's (loss)/profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted (loss)/earnings per share is calculated on the same basis as basic (loss)/earnings per share as the Group did not issue dilutive instruments.

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2021, the Group spent approximately RMB4.9 million (2020: RMB14.1 million) on the acquisition of property, plant and equipment.

Right-of-use assets of RMB24,295,000 (2020: RMB46,665,000) were included in the carrying amount of property, plant and equipment.

10. TRADE AND OTHER RECEIVABLES

Trade receivables of the Group are non-interest bearing and are normally settled between 30 and 180 days (2020: between 30 and 180 days). They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The ageing of trade receivables at the reporting date, based on invoice date, is as follows:

	2021	2020
	RMB'000	*RMB'000*
0–30 days	**41,193**	22,253
31–90 days	**3,004**	32,615
91–180 days	**2,376**	5,727
181–365 days	**385**	2,697
More than 365 days	**2,724**	5,780
	49,682	69,072

11. TRADE AND OTHER PAYABLES

Trade payables primarily comprise construction costs payable to third parties.

The ageing profile of trade payables of the Group at the reporting date, based on invoice date, is as follows:

	2021	2020
	RMB'000	*RMB'000*
0–30 days	**595,435**	862,568
31–60 days	**564**	1,212
61–90 days	**637**	1,508
More than 90 days	**24,206**	27,090
	620,842	892,378

12. SHARE CAPITAL

	Company	
		Number of shares
	RMB'000	*'000*
Fully paid ordinary shares, with no par value		
As at 1 January and 31 December 2020 and 2021	359,700	196,133

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. All shares rank equally with regard to the Company's residual assets.

During the year ended 31 December 2021, there were no share options issued by the Company.

13. LOANS AND BORROWINGS

		2021			2020	
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Amount repayable in one year or less, or on demand	**1,119,793**	**65,431**	**1,185,224**	1,285,789	167,533	1,453,322
Amount repayable after one year	**311,636**	**32,382**	**344,018**	482,292	49,994	532,286
Total loans and borrowings			**1,529,242**			1,985,608

Details of any collateral

In 2021, loans and borrowings for the Group include banker's acceptance, lease liabilities, bank overdrafts, bank loans, loans from trust finance company and other loans (2020: banker's acceptance, lease liabilities, bank overdrafts, bank loans, loans from trust finance company and other loans). The loans and borrowings, excluding lease liabilities and other loans, are secured by:

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

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

(iii) Corporate guarantee from the Company and its certain subsidiaries; and

(iv) Guarantees from third parties.

14. DIVIDEND

The Board did not declare or recommend any dividend for the year ended 31 December 2021 (2020: Nil).

15. ADOPTION OF NEW/REVISED IFRSs

The Group has adopted all the new and amended IFRSs which are effective for the Group's accounting periods beginning on or after 1 January 2021 and throughout the year ended 31 December 2021.

Amendments to IFRS9, IAS 39, IFRS7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021.

Except as described below, the application of the amendments to IFRSs in the current year had no material impact on the Group's results and financial position for the current or prior period.

Impacts on early application of Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021

Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The early application of such amendment has had no material impact on the Group's financial positions and performance for the current and prior years.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

	2021	2020	**% change**
	RMB'000	*RMB'000*	+/(-)
Property Development			
Revenue	**938,605**	2,675,749	-65%
Cost of sales	**(785,017)**	(2,060,637)	-62%
Gross profit	**153,588**	615,112	
Gross Profit Margin	**16%**	23%	
Equipment Manufacturing			
Revenue	**80,733**	102,123	-21%
Cost of sales	**(62,076)**	(80,527)	-23%
Gross profit	**18,657**	21,596	
Gross Profit Margin	**23%**	21%	

Revenue and Gross Profit Margin ("GP Margin")

Property development business

During the year ended 31 December 2021, there was a significant decrease in our total net saleable floor area ("**NSFA**") handed over to customers to approximately 105,267 square meters (2020: 267,728 square meters), it was because the delivery of properties was postponed than expected, which was mainly attributable to the development progress had been adversing affection by COVID-19.

Revenue from property development business for the year ended 31 December 2021 was mainly from the following projects, namely Yuejiangwan, Yuediwan and Taihu Tiancui, which contributed approximately RMB330.3 million, RMB313.2 million and RMB204.2 million respectively.

The gross profit ("**GP**") of the property development business for the year ended 31 December 2021 amounted to approximately RMB153.6 million, a decrease of approximately 75% as compared to the corresponding period in 2020. The GP margin decreased by approximately 7% which is mainly related to the sales for resettlement residents which the selling price is limited at a pre-determined discount price.

Equipment Manufacturing Business

This segment recorded a revenue of approximately RMB80.7 million for the year ended 31 December 2021 which represented approximately 21% decrease as compared to the corresponding period in 2020. This was mainly because there was a decrease in demand of air purification as a result of under-performance of the PRC property industry, as well as the outbreak of COVID-19 continued to hit the Group's sales in 2021.

This in turn resulted in approximately 14% decrease in the GP to approximately RMB18.7 million for the year ended 31 December 2021 as compared to the corresponding period in 2020. Despite a decrease in the revenue, the GP margin for equipment manufacturing business was improved from approximately 21% to approximately 23%.

Other Income

Other income decreased by approximately 85% for the year ended 31 December 2021 as compared to the corresponding period in 2020, primarily due to one-off gain on disposal of a subsidiary, Huiyang Jinlida Property Management Co., Ltd. with approximately RMB177.9 million was recorded for 2020.

Selling and Distribution Expenses

Selling and distribution expenses amounted to approximately RMB44.6 million for the year ended 31 December 2021, represented a decrease of approximately 30% as compared to the corresponding period in 2020. This was mainly due to decrease in promotional and marketing related costs of Weiye Lanting Wan, Chuangshiji Apartment and Taihu Tiancui for the year ended 31 December 2021.

Administrative Expenses

Administrative expenses for the year ended 31 December 2021 was approximately RMB170.8 million, which was approximately 9% lower than the corresponding period in 2020. It was mainly due to decrease in salaries and entertainment cost as a result of cost control measures implemented within the Group, as compared to the corresponding period in 2020.

Net Finance Costs

Net finance costs was reported for the year ended 31 December 2021 at approximately RMB45.0 million, representing a decrease of approximately 22% as compared to the corresponding period in 2020, this was mainly due to a decrease in loans and borrowings during the year ended 31 December 2021.

Taxation

The significant decrease in income tax expense for the year ended 31 December 2021 was mainly due to decrease in provision of corporate income tax by approximately RMB117.9 million as a result of decrease in profit or making loss of the group companies during the year ended 31 December 2021 and decrease in provision of land appreciation tax by approximately RMB106.0 million as a result of significant drop in revenue from property development business for the year ended 31 December 2021.

Review of Financial Position

Investment in joint ventures mainly represented 51% equity interest in Henan Hanfang Yaoye Co., Ltd of RMB110.0 million. In March 2021, the partners of Deqing Fengjing Enterprise Management Partnership (Limited Liability Partnership) ("**Deqing Fengjing**"), the then associate of the Group, exited its investment in Hangzhou Junwei Real Estate Co., Ltd. ("**Hangzhou Junwei**"), the then subsidiary of Deqing Fengjing and a company whose principal activity is property development and owned Sunlight Mansion, in accordance with the co-operation agreement dated 21 January 2020. Accordingly, Deqing Fengjing ceased to have any interest in Hangzhou Junwei which then became a subsidiary of the Group.

The increase in development properties and prepaid cost of approximately RMB471.0 million was mainly due to newly include Sunlight Mansion property project and the progressive construction costs incurred on property development projects like for Weiye Shangcheng Sanhaoyuan, Fujian Tianzhi and Fujian Tianjue and set off with the properties hand over for Yuejiangwan, Yuediwan and Taihu Tiancui during the year ended 31 December 2021.

The decrease in trade and other payables of approximately RMB346.1 million was mainly due to decrease in trade payables in related to settlement of construction work for Weiye Shangcheng Sanhaoyuan, Taihu Tiancui, Yuejiangwan and Yuediwan projects.

The increase in contract liabilities of approximately RMB1,203.5 million was mainly due to advance receipts for the presale of development properties such as Weiye Shangcheng Sanhaoyuan and Sunlight Mansion and set off with the properties hand over for Yuejiangwan, Yuediwan and Taihu Tiancui during the year ended 31 December 2021.

The net decrease in loans and borrowings was mainly due to repayment of loans and borrowings obtained to finance the development of property projects during the year ended 31 December 2021.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2021, the Group's net current assets amounted to approximately RMB1,752.5 million, which is rather stable as compared to the corresponding period in 2020, this was mainly due to increase in contract liabilities and decrease in trade and other receivables of approximately RMB1,333.6 million, partially offset by increase in development properties and prepaid cost and decrease in trade and other payables and loans and borrowings and of approximately RMB1,085.2 million.

Our bank and other borrowings are denominated in Renminbi, Hong Kong Dollar (HKD), United States Dollar (USD), Singapore Dollar (SGD) and Malaysia Ringgit (MYR). As at 31 December 2021, our total outstanding loans and borrowings amounted to approximately RMB1,529.2 million.

NET GEARING RATIO

Net Gearing ratio is calculated based on our total debt less cash and cash equivalents divided by total equity. Total debt includes interest bearing loans and borrowings. As at 31 December 2021, the net gearing ratio of the Group was approximately 31% (31 December 2020: 55%).

FOREIGN EXCHANGE EXPOSURE

The 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 Group. Most of the Group's monetary assets and liabilities are denominated in RMB and SGD. Our business operations do not involve much of international transactions.

Accordingly, the Group considers that the Group's exposure to foreign currency risk is not significant and hence the Group does not employ any financial instruments for hedging purposes.

STRATEGY AND OUTLOOK

Real estate policy, financial environment and the pandemic are some of the adverse factors that will remain in 2022. We will have to manage our human resources, financial resources and material resources with prudence. For stock assets, we will maintain our "big operation" approach and improve cash flow turnover. For investment increments, we will shift from an asset-heavy to an asset-light strategy, and continue to promote an industry-driven transformation upgrade of our traditional real estate business, in order to achieve healthy and orderly growth.

Based on our investment model and leveraging our own strengths, in 2022 the Group will focus on promoting the development of "industry+" projects in regions where we have established a presence. We plan to explore opportunities throughout the year and select quality projects which require low investment and offer high returns.

In terms of financing, in view of the reduced availability of traditional financing sources and facility limits compared to the previous year, the Group will have to take the initiative to strategically pursue collaboration with those sizeable financial institutions that remain within the limitation quota. To advance our financing operations, the Group will capitalize on new financing opportunities to consolidate resources and establish financing platforms. Furthermore, the Group will continue to explore and innovate financing solutions.

In terms of cost control, we will adopt a general overview and a "generate and retain profits" approach to review cost control measures. We will control items based on their hierarchy and significance, optimise the structure of project costs, and enhance cost control over service network at different stages, ensuring that our budget will not exceed initial estimates and our final account will not exceed our initial budget, thereby safeguarding the rationale, lawfulness, and compliance of all work results for practical purposes. This will effectively minimise our business risk and guarantee the profit targets of our projects.

In terms of investment expansion, we will continue to explore mature markets in the Yangtze River Delta Region, Guangdong – Hong Kong – Macau Greater Bay Area and Henan for opportunities to consolidate government resources, industry resources, financing resources and talent resources to promote industrial real estate development, prioritising expanding and focusing on the "EPC+" projects and asset-light projects while strictly controlling input of self-owned assets, which in turn will drive the Company's transformational upgrade. We will consider different ways to develop projects, such as joint development with results consolidating, M&A by acquiring debt (for land and projects under construction), financing + construction (for real estate and industry). Through innovation of development and operation modes across local areas, we will endeavor to guide the entry of social funds for co-construction and sharing, thereby maximizing the resources integration and minimizing the capital occupying.

In terms of team building, we will continue to strengthen our work philosophy by adhering to the enterprise culture of unity, collaboration, struggle and progress, and precisely optimize the personnel makeup by introducing and cultivating outstanding talents in line with the Company's current operation.

We will enhance our incentive system to incentivise performance and discourage substandard work, strengthen control over processes, and assign personnel effectively to improve team efficiency, so that an efficient team is built to effectively resolve issues and demonstrate its competence in corporate governance and operation.

EMPLOYEES AND REMUNERATION

As at 31 December 2021, there were 449 employees (2020: 469) in the Group.

Total employee benefits expenses of the Group (including Directors' fee) for the year ended 31 December 2021 were approximately RMB108.6 million (2020: RMB114.1 million). Staff remuneration packages are determined based on each employee's qualifications, experience, position and seniority.

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, redemption or sale of listed securities of the Company for the year ended 31 December 2021.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2021, the Group disposed 100% equity interest in Huizhoushi Dajinzhou Property Development Co., Ltd. at the consideration of RMB35.0 million. Except for the above, there was no other material acquisition and disposal of subsidiaries by the Group during the year ended 31 December 2021.

AUDIT COMMITTEE

The Audit Committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors as at the date of this announcement, namely:

Mr. Lam Ying Hung Andy *(Chairman)*
Mr. Dong Xincheng
Mr. Liu Ning

The Group's annual results for the year ended 31 December 2021 had been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

CORPORATE GOVERNANCE CODE

The Directors consider that the Company had fully complied with Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the year ended 31 December 2021, save for deviations as stated hereof: Code Provision A.2.1 – The roles of the Chairman and the Chief Executive Officer of the Company were not separated and were performed by Mr. Zhang Wei. The Board considers Mr. Zhang Wei is familiar with the culture and operations of the Company and has extensive experience in the real estate industry. The Directors consider the vesting 2 roles in the same individual will not impair the balance of power and authority between the Directors and the management of the Group. In addition, he is responsible for setting business strategies and managing the Group, which involves high-level decisions about policy and strategy, motivating employees, and driving change within the organization.

COMPLIANCE WITH THE MODEL CODE

In compliance with Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 to the Hong Kong Listing Rules, the Company has adopted its own internal compliance code pursuant to the Model Code's best practices on dealings in securities and these are applicable to all its Officers in relation to their dealings in the Company's securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended 31 December 2021.

The Company and its Officers are not allowed to deal in the Company's shares during the period commencing 30 days immediately before the announcement of the Company's interim results and 60 days immediately before the announcement of the Company's full year results, and ending on the date of the announcement of the relevant results.

The Directors, management and executives of the Group are also expected to observe the rules and regulations in relation to insider dealing at all times, even when dealing in securities within permitted trading period or they are in possession of unpublished price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

DIVIDENDS

The Board did not declare or recommend any final dividend for the year ended 31 December 2021 (2020: Nil).

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company will be held on a date to be fixed by the Board. Further announcement(s) will be made in respect of date of the annual general meeting of the Company and book closure date.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the "**HKEX**") at www.hkexnews.hk and the website of the Company at www.weiyeholdings.com. The annual report of the Company for the year ended 31 December 2021 will be despatched to the shareholders of the Company and published on the respective websites of the HKEX and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to our management team and all employees for their commitments to create greater values for the Group. I would also like to extend my heartfelt gratitude to all our shareholders and strategic partners for your unwavering trust and relentless support all these years.

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

Hong Kong, 28 March 2022

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