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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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

The Board of Directors (the “**Board**”) of WEIYE HOLDINGS LIMITED (the “**Company**”) hereby announces the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023. This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”), complies with the relevant requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results.

\* For identification purpose only

## **PUBLICATION OF THE INTERIM REPORT**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.weiyeholdings.com](http://www.weiyeholdings.com). The interim report of the Company for the six months ended 30 June 2023 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

I would like to take this opportunity to express my thanks and gratitude to the Group's management and staff who dedicated their endless efforts and devoted services, and to our shareholders, suppliers, customers and bankers for their continuous support.

By Order of the Board  
**WEIYE HOLDINGS LIMITED**  
**Chen Zhiyong**  
*Executive Chairman*

Hong Kong, 28 August 2023

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



# WEIYE HOLDINGS LIMITED

## 偉業控股有限公司\*

(Incorporated in the Republic of Singapore with limited liability)  
(於新加坡共和國註冊成立的有限責任公司)

Hong Kong Stock Code 香港股份代號：1570



# 2023

## Interim Report 中期報告

\* For identification purpose only  
\* 僅供識別

# CONTENTS

Corporate Information	02
Financial Highlights	03
Management Discussion and Analysis	04
Disclosure of Interests	08
Corporate Governance and Other Information	10
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
Condensed Consolidated Statement of Financial Position	15
Condensed Consolidated Statement of Cash Flows	17
Condensed Consolidated Statement of Changes in Equity	19
Notes to the Condensed Consolidated Financial Statements	21



## CORPORATE INFORMATION

### EXECUTIVE DIRECTOR

Mr. Chen Zhiyong

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Ning

Mr. Dong Xincheng

Mr. Lam Ying Hung Andy

### AUDIT COMMITTEE

Mr. Lam Ying Hung Andy (*Chairman*)

Mr. Dong Xincheng

Mr. Liu Ning

### NOMINATING COMMITTEE

Mr. Dong Xincheng (*Chairman*)

Mr. Lam Ying Hung Andy

Mr. Liu Ning

### REMUNERATION COMMITTEE

Mr. Liu Ning (*Chairman*)

Mr. Dong Xincheng

Mr. Lam Ying Hung Andy

### COMPANY SECRETARIES

Ms. Shirley Tan Sey Liy (FCS, FCG)

Mr. Man Yun Wah (ACG, HKACG)

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

19th Floor, Building A

Weiye International Square

Intersection of Yanqiao Road

Zhengkai Avenue, Zhendong

New District, Zhengzhou City

Henan Province, the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1307A, 13/F, Two Harbourfront

22 Tak Fung Street, Hunghom, Kowloon

Hong Kong

### REGISTERED OFFICE

10 Bukit Batok Crescent

#06-05 The Spire

Singapore 658079

### AUDITORS

BDO Limited

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

### PRINCIPAL BANKERS

China Construction Bank (Henan Branch)

80 Garden Road, Zhengzhou City

Henan Province The PRC 450003

China Construction Bank (Hainan Branch)

Jian Hang Building, Guo Mao Main Road

Haikou City, Hainan Province

The PRC 570125

Shanghai Pudong Development Bank

(Shenzhen Branch)

1st Floor, Futian CBD

Fuhua 3rd Road, Futian Qu

Shenzhen City, Guangdong Province

The PRC 518048

United Overseas Bank Ltd

80 Raffles Place

UOB Plaza

Singapore 048624

## FINANCIAL HIGHLIGHTS

Weiyi Holdings Limited (the “Company”) was incorporated in the Republic of Singapore. The ordinary shares of the Company (the “Shares”) have been listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”) since 6 April 2016.

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023, together with the comparative figures for the six months ended 30 June 2022.

### Financial Highlights

	Unaudited six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Revenue	<b>1,352,004</b>	1,122,609
Gross profit	<b>53,390</b>	240,843
(Loss)/profit attributable to owners of the Company	<b>(41,838)</b>	36,609
(Loss)/profit per share (RMB cents)	<b>(21.33)</b>	18.67

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

	Unaudited six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Property Development</b>		
Sales	<b>1,311,593</b>	1,059,043
Cost of sales	<b>(1,269,736)</b>	(835,654)
Gross profit	<b>41,857</b>	223,389
Gross Profit Margin	<b>3%</b>	21%
<b>Equipment Manufacturing</b>		
Sales	<b>40,411</b>	63,566
Cost of sales	<b>(28,878)</b>	(46,112)
Gross profit	<b>11,533</b>	17,454
Gross Profit Margin	<b>29%</b>	27%

#### Revenue and Gross Profit Margin ("GP Margin")

##### Property development business

Property development sales increased from approximately Renminbi ("RMB") 1,059.0 million for the six months ended 30 June 2022 to approximately RMB1,311.6 million for the six months ended 30 June 2023. Total net saleable floor area ("NSFA") handed over to customers for the six months ended 30 June 2023 amounted to approximately 80,294 sq.m. (2022: 105,034 sq.m.).

Revenue from property development business was mainly from the following projects, namely Sunlight Mansion and Weiye Lanting Bay, which contributed approximately RMB992.7 million and RMB204.4 million respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Revenue and Gross Profit Margin (“GP Margin”) (Continued)

##### Property development business (Continued)

The gross profit (“GP”) margin of property development business was decreased from 21% for the six months ended 30 June 2022 to 3% for the six months ended 30 June 2023, which was mainly because the GP margin of Sunlight Mansion which contributed 79% of the total revenue of the Group was barely 2%. As a result of real estate policies on the housing price implemented by certain provincial governments of the People’s Republic of China from time to time, the overall GP margin dropped significantly as compared to the corresponding period in 2022.

##### Equipment manufacturing business

The sales of equipment manufacturing business comprised clean room equipment (“CRE”), air purification integrated solutions, Heating, Ventilation and Air Conditioning (“HVAC”) equipment. The equipment manufacturing business saw significant improvement during the six months ended 30 June 2023 was mainly due to completion of a few major projects secured in prior years. Thus, the overall revenue of the equipment manufacturing business decreased by approximately 36.4% from approximately RMB63.6 million for the six months ended 30 June 2022 to approximately RMB40.4 million for the six months ended 30 June 2023.

##### Selling and distribution expenses

Selling and distribution expenses for the six months ended 30 June 2023 were approximately 47% lower than the corresponding period in 2022, which was mainly due to less promotional and marketing activities for property projects launched during the six months ended 30 June 2023.

##### Administrative expenses

Administrative expenses for the six months ended 30 June 2023 decreased by approximately 41% as compared to the corresponding period in 2022, which was mainly due to decreases in salaries, office, travelling and entertainment expenses as a result of effective cost control measures implemented within the Group as compared with the corresponding period in 2022.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Net finance costs

	Unaudited six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest expense	(15,243)	(14,253)
Interest on lease liabilities	(55)	(189)
Interest income	1,332	5,751
Net finance costs	(13,966)	(8,691)

Net finance costs for the six months ended 30 June 2023 was higher than the corresponding period in 2022, which was mainly due to a decrease in interest income from bank deposit during the six months ended 30 June 2023.

#### Taxation

Tax expenses for the six months ended 30 June 2023 amounted to approximately RMB56,376,000 (2022: RMB89,289,000), which was mainly attributable to lower provision of corporate income tax of approximately RMB12.4 million and land appreciation tax expense of approximately RMB35.1 million during the six months ended 30 June 2023 as a result of significant decrease in profit during the six months ended 30 June 2023.

#### Review of Financial Position

The decrease in development properties and prepaid costs of approximately RMB1,182.7 million was mainly due to the properties handed over for Sunlight Mansion and Weiye Lanting Bay during the six months ended 30 June 2023.

The decrease in contract liabilities of approximately RMB1,281.8 million was mainly due to the reversal of contract liabilities caused by sales recognition from certain projects, in particular Sunlight Mansion and Weiye Lanting Bay, during the six months ended 30 June 2023.

The net decrease in loans and borrowings was mainly due to settlement of loans and borrowings during the six months ended 30 June 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2023, the Group's net current assets amounted to approximately RMB1,354.7 million, which decreased by 4% as compared to 31 December 2022 because of a decrease in development properties and prepaid costs of approximately RMB1,182.7 million and cash and cash equivalent of approximately RMB269.2 million, partially offset by decrease in contract liabilities of approximately RMB1,281.8 million and trade and other payables of approximately RMB162.7 million. Bank and other borrowings are mainly denominated in RMB, United States Dollar and Malaysia Ringgit. As at 30 June 2023, the total outstanding loans and borrowings amounted to approximately RMB815.6 million and cash and cash equivalents amounted to approximately RMB138.7 million. Particulars of loans and borrowings of the Group as at 30 June 2023 are set out in Note 12 to the condensed consolidated financial statements for the six months ended 30 June 2023.

### PROSPECTS

The COVID-19 pandemic on the global economy will be diminishing after the increase in vaccination rates around the world. However, the global economy environment was followed by the economic recession. In PRC, highly challenging and uncertain elements brought by the changing global geopolitical landscape and the real estate policies in the PRC are currently overhanging the future of the real estate industry. The financial instability of highly leveraged property developers weighed on buyer confidence, leading prospective buyers to be more cautious in making purchase decision. The Group will conduct timely reviews the real estate policies in the PRC and realign business strategies to facilitate the cash inflow by broadening sources of income at lower costs. As for incremental investments, the Group will adopt the strategy of shifting from an asset-heavy operation to an asset-light operation, while continuing to advance an industry-driven transformation upgrade of our traditional real estate business, in order to achieve healthy and orderly growth of the Group in the long term.

## DISCLOSURE OF INTERESTS

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests or short positions of each Director and Chief Executive of the Company in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

<b>Name of Director</b>	<b>Capacity/ Nature of interest</b>	<b>Number of securities</b>	<b>Approximate percentage of interest</b>
Mr. Chen Zhiyong	Beneficial Interest	40,240,256 (L)	20.52%

(L) denotes long position

Save as disclosed above, as at 30 June 2023, none of the Directors or Chief Executive Officer 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.

## DISCLOSURE OF INTERESTS

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, the persons (other than the Directors and chief executive of the Company) 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:

<b>Name of Substantial Shareholders</b>	<b>Capacity/ Nature of interest</b>	<b>Number and class of securities</b>	<b>Approximate percentage of interest</b>
Mr. Zhang Wei	Beneficial Interest	91,029,648 (L)	46.41%
	Interest in controlled corporation (Note)	15,792,290 (L)	8.05%
Fine Skill Holdings Limited	Beneficial interest	15,792,290 (L)	8.05%

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

(L) denotes long position

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) 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.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, there were 283 (2022: 334) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for the six months ended 30 June 2023 were approximately RMB18.0 million (2022: RMB36.7 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 the Group's results of operations.

### SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and joint ventures, the Group did not hold any significant investment in equity interest in any other company during the six months ended 30 June 2023.

### MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, there was no material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2023.

### 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 30 June 2023, the Group had net gearing ratio of approximately 38% as compared to that of approximately 23% as at 31 December 2022. Details of the net gearing ratio are set out in Note 19 to the condensed consolidated financial statements for the six months ended 30 June 2023.

### FOREIGN EXCHANGE EXPOSURE

The Group's property development and equipment manufacturing business 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. Accordingly, the Directors consider the Group's exposure to foreign currency risk is not significant. The Group does not employ any financial instruments for hedging purposes.

### CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group are set out in Note 18 to the condensed consolidated financial statements for the six months ended 30 June 2023.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **SHARE CAPITAL**

Details of the Company's issued share capital during the six months ended 30 June 2023 are set out in Note 13 to the condensed consolidated financial statements for the six months ended 30 June 2023. There were no movement in the Company's issued share capital during the six months ended 30 June 2023.

### **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence to the Company and the Company's accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules for its corporate governance practices during the six months ended 30 June 2023. In the opinion of the Board, the Company had complied with the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2023.

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

There was no purchase, redemption or sale of listed securities of the Company during the six months ended 30 June 2023.

### **INTERIM DIVIDEND**

The Board did not recommend to declare any interim dividend for the six months ended 30 June 2023.

### **SHARE OPTION SCHEME**

There was no share option scheme as at 30 June 2023.

### **EVENTS AFTER THE REPORTING PERIOD**

There was no significant event after the six months ended 30 June 2023 and up to the date of this report.

### **COMPETITION AND CONFLICT OF INTERESTS**

Except for the interests in the Group, none of the Directors, controlling shareholders of the Company or any of their respective associates had engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the period under review.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive directors as at the date of this report, namely:

Mr. Lam Ying Hung Andy (*Chairman*)

Mr. Dong Xincheng

Mr. Liu Ning

The Audit Committee has reviewed the Group's consolidated results for the six months ended 30 June 2023.

### CHANGES OF INFORMATION OF DIRECTORS

Save as disclosed in this interim report, there was no change in Directors' information that was required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules since the publication of the annual report for the year ended 31 December 2022 of the Company and up to the date of this report.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all the Directors, and the Directors confirmed that they had complied with all relevant requirements as set out in the Model Code during the six months ended 30 June 2023.

### AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated results of the Group for the six months ended 30 June 2023 have not been audited or reviewed by the auditors of the Company.

By order of the Board

**Weiye Holdings Limited**

**Chen Zhiyong**

*Executive Chairman*

Hong Kong, 28 August 2023

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Revenue</b>	4	<b>1,352,004</b>	1,122,609
<b>Cost of sales</b>		<b>(1,298,614)</b>	(881,766)
<b>Gross profit</b>		<b>53,390</b>	240,843
Other income	5	<b>4,554</b>	9,769
Selling and distribution expenses		<b>(5,987)</b>	(11,347)
Administrative expenses		<b>(34,788)</b>	(59,370)
Other operating expenses		<b>(3,400)</b>	(484)
Share of loss from joint ventures		<b>(111)</b>	(108)
<b>Results from operations</b>		<b>13,658</b>	179,303
Net finance costs	6	<b>(13,966)</b>	(8,691)
<b>(Loss)/profit before taxation</b>	8	<b>(308)</b>	170,612
Tax expense	7	<b>(56,376)</b>	(89,289)
<b>(Loss)/profit for the period</b>		<b>(56,684)</b>	81,323
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(41,838)</b>	36,609
Non-controlling interests		<b>(14,846)</b>	44,714
<b>(Loss)/profit for the period</b>		<b>(56,684)</b>	81,323



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Other comprehensive loss</b>			
Foreign currency translation differences			
– foreign operations		(5,289)	(5,009)
<b>Total other comprehensive loss for the period, net of tax</b>		<b>(5,289)</b>	(5,009)
<b>Total comprehensive (loss)/income for the period</b>		<b>(61,973)</b>	76,314
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(42,123)	34,191
Non-controlling interests		(19,850)	42,123
		<b>(61,973)</b>	76,314
<b>(Loss)/earnings per share:</b>			
Basic (loss)/earnings per share (RMB cents)	15	<b>(21.33)</b>	18.67
Diluted (loss)/earnings per share (RMB cents)	15	<b>(21.33)</b>	18.67

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
<b>Non-current assets</b>			
Investment properties		478,000	478,000
Property, plant and equipment	9	169,946	171,512
Intangible assets		559	668
Joint ventures		112,253	112,364
Trade and other receivables		99,160	99,160
Deferred tax assets		6,174	32,947
		<b>866,092</b>	894,651
<b>Current assets</b>			
Development properties and prepaid costs		2,027,217	3,209,937
Inventories		23,073	28,065
Contract costs	21	140	46,596
Trade and other receivables	10	772,885	736,701
Contract assets	21	216,945	216,945
Prepaid tax		76,295	95,973
Other investments		2,158	3,934
Cash and cash equivalents		138,730	407,971
		<b>3,257,443</b>	4,746,122

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
<b>Current liabilities</b>			
Trade and other payables	11	710,832	873,483
Contract liabilities	21	315,006	1,596,812
Loans and borrowings	12	661,021	773,120
Income tax payable		215,846	201,273
		<b>1,902,705</b>	3,444,688
<b>Net current assets</b>			
		<b>1,354,738</b>	1,301,434
<b>Non-current liabilities</b>			
Loans and borrowings	12	154,540	65,148
Deferred tax liabilities		295,587	298,261
		<b>450,127</b>	363,409
<b>Net assets</b>			
		<b>1,770,703</b>	1,832,676
<b>Equity</b>			
Share capital	13	359,700	359,700
Reserves		945,194	987,317
<b>Equity attributable to owners of the Company</b>			
Non-controlling interests		465,809	485,659
<b>Total equity</b>			
		<b>1,770,703</b>	1,832,676

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB'000</b> <b>(unaudited)</b>	2022 RMB'000 (unaudited)
<b>Cash flows (used in)/generated from operations</b>	<b>(207,342)</b>	229,864
Income tax paid	<b>(33,232)</b>	(22,950)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(240,574)</b>	206,914
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	<b>(707)</b>	(8,633)
Proceeds from disposal of property, plant and equipment	<b>410</b>	702
Interest received	<b>1,332</b>	5,751
Amounts due from non-controlling interests (non-trade)	<b>14,015</b>	(16,044)
Proceeds from disposal of other investments	<b>2,158</b>	3,232
Net cash inflow from disposal of subsidiaries	–	83,171
<b>Net cash flows generated from investing activities</b>	<b>17,208</b>	68,179

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Cash flows from financing activities:</b>		
Decrease in restricted cash	278,167	117,575
Repayment of principal portion of lease liabilities	(1,855)	(3,381)
Interest paid	(15,528)	(20,001)
Repayment of loans and borrowings	(324,605)	(674,116)
Proceeds from loans and borrowings	300,326	111,942
<b>Net cash flows generated from/(used in) financing activities</b>	<b>236,505</b>	<b>(467,981)</b>
Net increase/(decrease) in cash and cash equivalents	13,139	(192,888)
Cash and cash equivalents at beginning of financial period	93,419	434,141
Effects of exchange rate fluctuations on cash held	(5,594)	(4,704)
<b>Cash and cash equivalents at end of financial period</b>	<b>100,964</b>	<b>236,549</b>
Additional information:		
Cash and bank balances	138,730	602,331
Less: Restricted cash	(33,921)	(361,321)
Less: Bank overdrafts	(3,845)	(4,461)
Total cash and cash equivalents in condensed consolidated statement of cash flows	<b>100,964</b>	<b>236,549</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								Total equity RMB'000
	Share capital RMB'000	Merger reserve RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2022	359,700	(59,669)	(550)	(21,184)	134,181	936,016	1,348,494	596,027	1,944,521
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	36,609	36,609	44,714	81,323
<b>Other comprehensive loss</b>									
Foreign currency translation differences – foreign operations	-	-	-	(2,418)	-	-	(2,418)	(2,591)	(5,009)
Total comprehensive income for the period	-	-	-	(2,418)	-	36,609	34,191	42,123	76,314
Transfer from retained earnings to statutory reserves	-	-	-	-	26,093	(26,093)	-	-	-
At 30 June 2022	359,700	(59,669)	(550)	(23,602)	160,274	946,532	1,382,695	638,150	2,020,835

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Merger reserve	Capital reserves	Foreign currency translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	359,700	(59,669)	(550)	(30,286)	134,136	943,686	1,347,017	485,659	1,832,676
<b>Total comprehensive loss for the period</b>									
Loss for the period	-	-	-	-	-	(41,838)	(41,838)	(14,846)	(56,684)
<b>Other comprehensive loss</b>									
Foreign currency translation differences – foreign operations	-	-	-	(285)	-	-	(285)	(5,004)	(5,289)
Total comprehensive loss for the period	-	-	-	(285)	-	(41,838)	(42,123)	(19,850)	(61,973)
Transfer from retained earnings to statutory reserves	-	-	-	-	2,596	(2,596)	-	-	-
At 30 June 2023	359,700	(59,669)	(550)	(30,571)	136,732	899,252	1,304,894	465,809	1,770,703

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Weiye Holdings Limited 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 since 6 April 2016.

The principal activities of the Group are those property developments for residential and commercial properties in the People's Republic of China ("PRC"), and the manufacturing and trading of heating, ventilation, air-conditioning, air purification and clean room equipment.

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

This interim financial report has been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with International Accounting Standard (IAS) 34, Interim financial reporting, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 28 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new and certain amendments to IFRS issued by IASB which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

- |                        |  |
|------------------------|--|
| – IFRS 17              | Insurance Contracts  |
| – Amendments to IAS 1  | Classification of Liabilities as Current or Non-current                          |
| – Amendments to IAS 8  | Definition of accounting estimates   |
| – Amendments to IAS 12 | Deferred tax related to assets and liabilities arising from a single transaction |

The new or amended IFRSs that are effective from 1 January 2023 did not have any significant impact on the Group's accounting policies.

#### **IFRS 17 – Insurance contracts**

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 "Insurance Contracts". The standard outlines a "General Model", which is modified for insurance contracts with direct participation features, described as the "Variable Fee Approach". The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

#### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of reporting period. The amendments also introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. CHANGES IN ACCOUNTING POLICIES (Continued)

#### **Amendments to IAS 8 – Definition of accounting estimates**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

#### **Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

### 4. 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. SEGMENT INFORMATION (Continued)

#### II. Clean room equipment, heat ventilation and air-conditioning products, and air purification integrated solutions (“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. Heat 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 purification equipment, 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 solutions 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 condensed 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.

There are no inter-segment sales within the Group.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. SEGMENT INFORMATION (Continued)

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

	Unaudited six months ended 30 June					
	Property Development		Equipment Manufacturing		Total	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Revenue from external customers	<b>1,311,593</b>	1,059,043	<b>40,411</b>	63,566	<b>1,352,004</b>	1,122,609
Segments results	<b>12,857</b>	172,443	<b>801</b>	6,860	<b>13,658</b>	179,303
Finance income	<b>922</b>	5,700	<b>98</b>	51	<b>1,020</b>	5,751
Finance costs	<b>(12,667)</b>	(10,188)	<b>(2,319)</b>	(4,254)	<b>(14,986)</b>	(14,442)
(Loss)/profit before taxation					<b>(308)</b>	170,612
Taxation					<b>(56,376)</b>	(89,289)
Non-controlling interests					<b>14,846</b>	(44,714)
(Loss)/profit attributable to owners of the Company					<b>(41,838)</b>	36,609

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION (Continued)

## Reconciliations of reportable revenue, profit or loss, assets and liabilities (Continued)

	30 June 2023 (unaudited)			31 December 2022 (audited)		
	Property Development	Equipment Manufacturing	Total	Property Development	Equipment Manufacturing	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	4,016,875	106,660	4,123,535	5,530,667	110,106	5,640,773
Segment liabilities	(1,485,079)	(53,513)	(1,538,592)	(2,932,575)	(37,254)	(2,969,829)
Loans and borrowings	(793,849)	(20,391)	(814,240)	(669,510)	(168,758)	(838,268)
Total liabilities			(2,352,832)			(3,808,097)

## Unaudited six months ended 30 June

	2023			2022		
	Property Development	Equipment Manufacturing	Total	Property Development	Equipment Manufacturing	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other segment information</b>						
Depreciation of property, plant and equipment	2,182	619	2,801	1,431	589	2,020
Depreciation of right-of-use assets	–	1,658	1,658	1,634	2,217	3,851
Amortisation of intangible assets	20	102	122	36	44	80

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. SEGMENT INFORMATION (Continued)

#### Geographical segment

The Group's geographical segments are based on the location of the Group's assets. Sales 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:

#### Geographical segments

Revenue	Unaudited six months ended 30 June	
	2023 RMB'000	2022 RMB'000
PRC	1,317,449	1,078,821
Singapore	29,683	43,788
Other countries	4,872	–
	<b>1,352,004</b>	1,122,609
Non-current assets*	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
PRC	730,545	734,192
Singapore	10,061	10,134
Other countries	20,152	18,218
	<b>760,758</b>	762,544

\* Excluding trade and other receivables and deferred tax assets

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Rental income	2,990	2,534
Gain on disposal of property, plant and equipment	281	388
Gain on disposal of subsidiary	—	3,892
Government grant	86	35
Others	1,197	2,920
	<b>4,554</b>	9,769

## 6. NET FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest expense	(15,243)	(14,253)
Interest on lease liabilities	(55)	(189)
Interest income	1,332	5,751
	<b>(13,966)</b>	(8,691)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. TAXATION

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Current tax expenses</b>		
– Current period	(12,413)	(36,266)
	(12,413)	(36,266)
<b>Deferred tax expense</b>		
– Origination and reversal of temporary differences	(8,822)	(10,000)
	(8,822)	(10,000)
<b>Land appreciation tax expenses</b>		
– Current period	(35,141)	(43,023)
	(35,141)	(43,023)
	(56,376)	(89,289)



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. TAXATION (Continued)

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

According to the Implementation Rules of the Corporate Income Tax Law of 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.

Land appreciation tax ("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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation for the period has been arrived at after charging the following:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Depreciation of property, plant and equipment	2,801	2,020
Depreciation of right-of-use assets	1,658	3,851
Amortisation of intangible assets	122	80
Property, plant and equipment written off	25	21

### 9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately RMB2.8 million (2022: RMB8.6 million) on the acquisition 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 to 180 days (31 December 2022: 30 to 180 days).

The following is an analysis of trade receivables by age, presented based on invoices date:

	30 June	31 December
	2023 RMB'000 (unaudited)	2022 RMB'000 (audited)
0–30 days	34,549	35,430
31–90 days	727	8,208
91–180 days	127	5,782
181–365 days	11,299	12,655
Over 365 days	17,513	4,715
	<b>64,215</b>	<b>66,790</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. TRADE AND OTHER PAYABLES

Trade payables primarily comprise construction costs payable to third parties.

**Ageing profile**

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

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
0–30 days	<b>308,784</b>	355,069
31–60 days	<b>1,823</b>	4,102
61–90 days	<b>2,588</b>	5,298
Over 90 days	<b>16,594</b>	18,553
	<b>329,789</b>	383,022

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. LOANS AND BORROWINGS

	As at 30 June 2023			As at 31 December 2022		
	Secured RMB'000 (unaudited)	Unsecured RMB'000 (unaudited)	Total RMB'000 (unaudited)	Secured RMB'000 (audited)	Unsecured RMB'000 (audited)	Total RMB'000 (audited)
Amount repayable						
– in one year or less or on demand	643,781	17,240	661,021	754,171	18,949	773,120
– after one year	154,372	168	154,540	64,180	968	65,148
	<b>798,153</b>	<b>17,408</b>	<b>815,561</b>	818,351	19,917	838,268

#### Details of any collateral

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

- Legal mortgage of the assets of subsidiaries, property development units and investment properties;
- Legal mortgage of the property, plant and equipment;
- Corporate guarantee from the group companies; and
- Guarantee from third party.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. SHARE CAPITAL

	Share capital RMB'000	No. of shares issued '000
Issued and fully paid:		
<b>As at 1 January and 30 June 2023</b>	<b>359,700</b>	<b>196,133</b>

The holders of ordinary shares of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares of the Company carry one vote per share without restrictions.

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

## 14. DIVIDEND

The Board did not declare or recommend interim dividend for the six months ended 30 June 2023 (30 June 2022: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 15. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	<b>(41,838)</b>	36,609
Weighted average number of ordinary shares in issue (in thousands)	<b>196,133</b>	196,133
(Loss)/earnings per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	<b>(21.33)</b>	18.67
(ii) On a fully diluted basis (RMB cents)	<b>(21.33)</b>	18.67

Diluted (loss)/earnings per ordinary share is calculated on the same basis as basic (loss)/earnings per ordinary share as there were no potential dilutive ordinary shares as at 30 June 2023 and 30 June 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16. NET ASSET VALUE

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer is as follows:

	<b>30 June 2023 (unaudited)</b>	31 December 2022 (audited)
Net assets attributable to owners of the Company (RMB'000)	<b>1,304,894</b>	1,347,017
Number of ordinary shares (in thousands)	<b>196,133</b>	196,133
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year (RMB)	<b>6.65</b>	6.87

## 17. CAPITAL COMMITMENT

Capital commitment contracted for as at the end of the reporting period but not recognised in the condensed consolidated financial statements are as follows:

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Development expenditures authorised and contracted for	<b>215,145</b>	341,454

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 18. CONTINGENT LIABILITIES

At the respective reporting dates, the contingent liabilities of the Group were as follows:

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Guarantees granted to financial institutions on behalf of purchasers of property units	<b>1,045,673</b>	1,106,273

The Group arranges with 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. In line with the consumer banking practices in the PRC, these banks require the Group to provide guarantees in respect of these loans including the principal, interest and other incidental costs. The Group is required to maintain certain amounts of cash in designated bank accounts which are pledged to the banks. If a purchaser defaults on a loan, the relevant mortgagee bank is entitled to deduct the amount repayable from the restricted cash account.

These guarantees provided by the Group to the banks would be released by the banks upon the receipt of the building ownership certificate of the respective properties by the bank from the customers when it is issued by the relevant authorities.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 19. NET GEARING RATIO

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Loans and borrowings	<b>815,561</b>	838,268
Less: Cash and cash equivalents	<b>(138,730)</b>	(407,971)
Net debt	<b>676,831</b>	430,297
Total equity	<b>1,770,703</b>	1,832,676
Gearing ratio	<b>38%</b>	23%

## 20. SHARE OPTIONS

As at 30 June 2023, Company does not have any share option scheme.

## 21. CONTRACT BALANCES

The following table provides information about trade receivables, contract costs, contract assets and contract liabilities from contracts with customers.

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Trade receivables	<b>61,941</b>	64,537
Contract costs	<b>140</b>	46,596
Contract assets	<b>216,945</b>	216,945
Contract liabilities	<b>(315,006)</b>	(1,596,812)

The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 21. CONTRACT BALANCES (Continued)

Contract assets related to the Group's rights to consideration for work completed but not billed at the reporting date.

Contract liabilities primarily relate to advances from customer for sales of development properties and sales of equipment before the criteria for revenue recognition have been met.

#### **Success-based sales commissions**

The Group pays sales commissions to property sales agents for securing property sales contracts for the Group on a success basis. Upon the adoption of IFRS 15, the Group capitalises these incremental costs as contract costs.

Judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of engineering department and to determine the progress of the revenue contract and also on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

### 22. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of this report, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the condensed consolidated financial statements, the following significant transactions between the Group and related parties took place during the period on terms agreed between the parties:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

**Key management personnel compensation**

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)
Directors' fees		
– directors of the company	<b>330</b>	330
Salaries, representing total compensation to key management personnel	<b>1,366</b>	2,297
PRC statutory welfare fund	<b>65</b>	71
CPF and the defined contributions	<b>36</b>	68
	<b>1,797</b>	2,766
Comprises amount paid/payables to:		
– directors of the company	<b>876</b>	2,160
– other key management personnel	<b>921</b>	606
	<b>1,797</b>	2,766

## 23. DISPOSAL OF SUBSIDIARIES

On 22 April, 2022, the Group disposed its entire interests in Guangdong Leiding Property Development Co., Ltd. ("Guangdong Leiding") at a cash consideration of RMB112,000,000. Guangdong Leiding was engaged in the property development in the PRC. The net assets of Guangdong Leiding at the date of disposal was approximately RMB110,611,000. A gain of approximately RMB1,389,000 was resulted from the disposal of Guangdong Leiding.

On 11 May, 2022, the Group disposed its entire interests in Zhongwei Wisdom Cold Chain Logistics Co., Ltd ("Zhongwei Wisdom Cold Chain") at a cash consideration of RMB5,150,000. Zhongwei Wisdom Cold Chain was engaged in the cold chain logistics in the PRC. The net assets of Zhongwei Wisdom Cold Chain at the date of disposal was approximately RMB2,647,000. A gain of approximately RMB2,503,000 was resulted from the disposal of Zhongwei Wisdom Cold Chain.



**WEIYE HOLDINGS LIMITED**  
**偉業控股有限公司**