WEIYE HOLDINGS LIMITED
偉業控股有限公司*

(Singapore Company Registration Number: 198402850E)
(Incorporated in the Republic of Singapore with limited liability)

Hong Kong Stock Code: 1570
Singapore Stock Code: BMA

中期報告

2018 Interim Report

凝心聚力　放眼未來

*For identification purpose only

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS
Zhang Wei *(Executive Chairman and Chief Executive Officer)*
Chen Zhiyong *(Chief Operating Officer)*

NON-EXECUTIVE DIRECTOR
Dong Xincheng

INDPENDENT NON-EXECUTIVE DIRECTORS
Ong Kian Guan
Oh Eng Bin
Siu Man Ho Simon

AUDIT COMMITTEE
Ong Kian Guan *(Chairman)*
Oh Eng Bin
Siu Man Ho Simon

NOMINATING COMMITTEE
Siu Man Ho Simon *(Chairman)*
Oh Eng Bin
Ong Kian Guan
Dong Xincheng

REMUNERATION COMMITTEE
Oh Eng Bin *(Chairman)*
Ong Kian Guan
Siu Man Ho Simon

COMPANY SECRETARIES
Shirley Tan Sey Liy (ACS)
Man Yun Wah (HKICS)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC
19th Floor, Block A, Weiye International Building
Cross of East Jinshui Road and Jinxiu Road
Zhengzhou City
Henan Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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Hong Kong

REGISTERED OFFICE
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OC@Pasir Panjang
Singapore 118524

AUDITORS
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
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

United Overseas Bank Ltd
80 Raffles Place
UOB Plaza
Singapore 048624

COMPANY WEBSITE
www.weiyeholdings.com

FINANCIAL HIGHLIGHTS

Weiye Holdings Limited ("Company") was incorporated in the Republic of Singapore. The ordinary shares of the Company ("Shares") have been listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") since 6 April 2016. The shares were delisted from the official List of Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 24 August 2018.

The Board ("Board") of Directors ("Director(s)") of Weiye Holdings Limited ("Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, "Group") for the second quarter of 2018 ("2Q2018") and the six months ended 30 June 2018 ("1H2018"), together with the restated comparative figures for the second quarter of 2017 ("2Q2017") and six months ended 30 June 2017 ("1H2017").

Financial Highlights (Unaudited)

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000 (Restated)	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000 (Restated)	% change +/(-)
Revenue	**215,918**	460,915	-53%	**415,125**	603,290	-31%
Gross profit	**90,879**	41,321	120%	**174,378**	96,298	81%
Profit before taxation	**45,204**	110	n.m	**79,155**	30,690	158%
Profit/(loss) attributable to owners of the Company	**20,138**	(15,049)	n.m	**27,191**	(12,079)	n.m
Earnings per share (RMB cents)	**10.27**	(7.67)	n.m	**13.86**	(6.16)	n.m

Note:

n.m: Not meaningful

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000	% change +/(-)
Property Development						
Sales	**202,502**	439,562	-54%	**388,076**	569,362	-32%
Cost of sales	**(116,641)**	(404,148)	-71%	**(223,870)**	(483,949)	-54%
Gross profit	**85,861**	35,414		**164,206**	85,413	
Gross Profit Margin	**42%**	8%		**42%**	15%	
Equipment Manufacturing						
Sales	**13,416**	21,353	-37%	**27,049**	33,928	-20%
Cost of sales	**(8,398)**	(15,446)	-46%	**(16,877)**	(23,043)	-27%
Gross profit	**5,018**	5,907		**10,172**	10,885	
Gross Profit Margin	**37%**	28%		**38%**	32%	

Revenue and Gross Profit Margin ("GP Margin")

Property development business

2Q2018 property development sales decreased by 54% to approximately RMB202.5 million from the same period of last year. The lower sales in this quarter was mainly because lower total net saleable floor area ("NSFA") handed over to customers of approximately 30,771 sqm (2Q2017: 85,942 sqm). 1H2018 property development sales was 32% lower as compared to same period of last year mainly due to lower total NSFA handled over to customers during 2Q2018. Overall, total NSFA handled over to customers for 1H2018 was approximately 54,633 sqm (1H2017: 103,844 sqm).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (Continued)

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

Property development business (Continued)

Revenue from property development sales for 1H2018 was mainly from the following projects, namely Weiye Oxygen Cube A Phase I, II & III, Weiye Shangcheng Yihaoyuan, Weiye Tiandao International and Weiye Central Park Phase III, IV & V, which contributed approximately RMB112.7 million, RMB110.0 million, RMB65.1 million and RMB60.3 million respectively.

The GP margin of property development business for 2Q2018 and 1H2018 was 34% and 27% higher than the same periods of last year respectively which was mainly due to higher sales of car parking lots from Weiye Shangcheng Yihaoyuan, as well as sale of commercial shop houses from Weiye Central Park Phase IV which had higher average selling price in the quarter under review.

Equipment business

The sales of equipment comprised mainly sales of clean room equipment ("CRE"), air purification, grilles & diffuser and marine damper products. Sales in 2Q2018 and 1H2018 was 37% and 20% lower respectively, as compared to the same periods of last year mainly due to unfavourable market conditions that caused a reduction in the sales of CRE, diffuser and damper products in the quarter under review.

The GP margin for equipment business for 2Q2018 and 1H2018 was 9% and 6% higher, respectively, as compared with the same period of last year mainly due to better cost control initiatives adopted by the Group.

Selling and distribution expenses

The higher selling and distribution expenses for 2Q2018 and 1H2018 was mainly due to the increase in promotional activities for upcoming property development projects, namely Weiye Meiyuewan, Weiye Yehai Shangcheng and Taihu Tiancui during the period under review.

Administrative expenses

Administrative expenses for 2Q2018 and 1H2018 was higher as compared to the same periods of last year mainly due to the expansion of property development business in the Yangtze River Delta region during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

Other operating expenses

Other operating expenses for 1H2018 was higher as compared to the same period of last year mainly due to impairment loss on other investment (quoted equity shares) of approximately RMB3.2 million and impairment loss on other receivables and contract assets of approximately RMB2.0 million in 1Q2018.

Net finance income

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000	% change +/(-)
Finance expense	**(4,407)**	(15,816)	-72%	**(9,445)**	(28,083)	-66%
Finance income	**5,907**	7,301	-19%	**11,700**	32,566	-64%
Net finance income/ (expense)	**1,500**	(8,515)		**2,255**	4,483	

Finance expense for 2Q2018 and 1H2018 was lower as compared to the same periods of last year mainly due to saving in interest cost during the period under review. Finance income for 2Q2018 and 1H2018 was lower as compared to same periods of last year mainly due to interest income charged on cash advance to Henan Meiyuan Co., Ltd ("Henan Meiyuan") in 1H2017. Pursuant to the collaboration agreement with Henan Meiyuan, should the Group fail to successfully bid for the land use rights held by Henan Meiyuan, Henan Meiyuan shall return the cash advance to the Group together with interest accrued thereon. The land bid process for said land use rights was completed in 1Q2017 but the Group did not succeed in the bidding for the land use rights. Therefore, the Group recognised the accrued interest income in 1H2017.

Taxation

The increase in taxation for 1H2018 was mainly due to higher net profit before tax generated from certain subsidiaries that resulted in higher provision of corporate income tax of approximately RMB14.9 million during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

Review of Financial Position

The decrease in the amount due from joint venture partner was mainly due to repayment from the same during the period under review.

The increase in properties held for sale of approximately RMB131.0 million was mainly due to the progressive construction works of Weiye Yehai Shangcheng, Taihu Tiancui, Weiye Meiyue Wan, Weiye Lanting Wan and Weiye Shangcheng Erhaoyuan in the period under review, partially offset by sales of development properties for project Oxygen Cube A Phase I, II & III, Oxygen Cube B, Weiye Tiandao International and Weiye Central Park Phase IV&V.

The increase in trade and other receivables of approximately RMB80.5 million was mainly due to prepayment of construction costs of approximately RMB149.0 million, partly offset by the decrease in receivable from government relation to a resettlement house construction project of approximately RMB60.0 million.

The decrease in other investment was due to the disposal of available for sale financial assets of RMB3.0 million and impairment loss on quoted equity investment of approximately RMB3.2 million in the period under review.

The decrease in trade and other payables of approximately RMB86.3 million was mainly due to repayment of trade payables in the period under review.

The increase in contract liabilities was mainly due to advance receipts from customers for presale of properties such as Weiye Shangcheng Erhaoyuan, Weiye Yehai Shangcheng and Weiye Meiyuewan in the current quarter.

The amount due to joint venture represents cash advances from Daimashi Shiye Co., Ltd which is unsecured and non-interest bearing.

The net increase in loans and borrowings was mainly due to additional loans and borrowings obtained to finance the development of property projects.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

Cash flow statement

Cash flows from operating activities before changes in working capital amounted to approximately RMB87.9 million. Cash generated from working capital amounted to approximately RMB58.3 million mainly due to increase in contract liabilities of approximately RMB328.1 million, partly offset by increase in development properties of approximately RM96.9 million, trade and other receivables of approximately RMB92.7 million and decrease in trade and other payables of approximately RMB74.9 million. After changes in working capital and payment for income tax of approximately RMB108.8 million, net cash flow generated from operating activities amounted to approximately RMB37.3 million.

Net cash generated from investing activities amounted to approximately RMB87.3 million mainly due to repayment from joint venture partner of approximately RMB71.5 million, interest received of approximately RMB15.5 million and proceed from disposal of other investments of approximately RMB3.0 million, partly offset by expenditure on intangible assets of approximately RMB1.4 million and purchase of property, plant and equipment of approximately RMB1.3 million.

Net cash used in financing activities amounted to approximately RMB51.9 million mainly due to repayment of bank borrowings of approximately RMB344.4 million, increase in restricted cash of approximately RMB172.5 million, decrease in amount due to non-controlling interests of approximately RMB67.2 million and interest payment of approximately RMB43.5 million, partly offset by proceeds from bank borrowings of approximately RMB575.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS (A COMMENTARY AT THE DATE OF THE RESULT ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS)

China recorded a 6.8% year-on-year ("y-o-y") gross domestic product ("GDP") growth in the first half of year 2018. The economy achieved a real domestic disposable income growth of 8.7% y-o-y (excluding price factor the increase was 6.6%), with an increase in total investments in its property market by 9.7% y-o-y. Overall, China's national economy continues to maintain a steady development momentum in the first half of year 2018.

Henan province, being the Group's primary market, recorded a GDP growth of 7.8% in the first half of year 2018, being 1.0% higher than national level. Its total real estate investment grew 5.6% y-o-y, in which investment in residential houses increased by 15.8% and sales in commercial houses increased by 24.8%. Meanwhile, Hainan province, another region where the Group operates, recorded a GDP growth of 5.8% y-o-y in first half of year 2018, but its total real estate investment decreased by 1.6% y-o-y. Guangdong province Shenzhen city, another rapid growing region where the Group operates, reported a GDP growth of 7.0% y-o-y in first half or year 2018, which was 0.2% higher than the national average. Huzhou city in Yangtze River Delta, a new region where the Group just entered late last year, reported a GDP growth of 8.5% y-o-y in the first half of year 2018. While majority of provinces demonstrating higher than National GDP growth, all of the three provinces have continued to experience slowdowns in certain economic indices, which is in line with the Chinese government's effort in stabilizing the property market. The existing property control measures are not expected to be lifted in the short run, with more suppressing mechanisms possibly to be introduced countrywide. Therefore, the group believes that its property development business will face more challenges in the next 12 months.

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 2018, the interests or short positions of the Directors and chief executive of our Company in the Shares or underlying shares of or debentures of our Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which will have to be notified to our Company and the SEHK pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or, which will be required, recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act (Chapter. 50, Singapore Statutes) of Singapore, or, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to notify our Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Under Section 164 of the Companies Act (Chapter. 50, Singapore Statutes) of Singapore

	Direct Interest		Deemed Interest	
Name of Director and corporation in which interests are held	**Beginning of the period**	**End of the period**	**Beginning of the period**	**End of the period**
Zhang Wei	–	–	91,029,648	91,029,648
Cheng Zhiyong	–	–	40,240,256	40,240,256

Except as disclosed in this statement, no Director who held office at the end of the financial period had interests in shares or debentures of the Company or of related corporations, either at the beginning or at the end of the financial period.

There were no changes in any of the above mentioned interests in the Company for the six months ended 30 June 2018.

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 (Continued)

Under Section 352 of the SFO

Name of Director	Capacity/ Nature of interest	Number and class of securities	Approximate percentage of interest
Zhang Wei (Note 1)	Beneficial Interest	91,029,648 (L)*	46.41%
		75,529,548 (S)**	38.51%
Cheng Zhiyong (Note 2)	Beneficial Interest	40,240,256 (L)*	20.52%
		24,240,256 (S)**	12.36%

Notes:

(1) As at 30 June 2018, Zhang Wei was deemed interested in 91,029,648 Shares held under the nominee accounts, HKSCC Nominees Limited.

(2) As at 30 June 2018 Chen Zhiyong was deemed interested in 40,240,256 Shares held under the nominee account, HKSCC Nominees Limited.

(L)*: denotes Long position

(S)**: denotes Short position

Save as disclosed above, as at 30 June 2018, none of the Directors or Chief Executive Officer of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which had to be notified to the Company and the SEHK pursuant to Division 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the SEHK.

DISCLOSURE OF INTERESTS

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

As at 30 June 2018, the persons or entities who have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name of Substantial Shareholders	Capacity/ Nature of interest	Number and class of securities	Approximate percentage of interest
HKSCC Nominees Limited (Note 1)	Nominee for other person	177,488,093 (L)*	90.49%

Notes:

(1) To the best knowledge of our Directors, having made all reasonable enquiries, as at 30 June 2018, HKSCC Nominees Limited held these 177,488,093 Shares as nominee for certain corporations and individuals. Among those Shares, 91,029,648 Shares, and 40,240,256 Shares were held for and beneficially owned by Zhang Wei and Chen Zhiyong, respectively. The remaining Shares were held by HKSCC Nominees Limited as nominee for other Shareholders.

(L)* : denotes Long position

Save as disclosed above, as at 30 June 2018, the Directors were not aware of any other persons (who was not a Director or the 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 2018, there were 415 (2017: 433) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for six months period ended 30 June 2018 were approximately RMB39.2 million (1H2017: RMB38.6 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 in the six months ended 30 June 2018.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, there was no material acquisition and disposal of subsidiaries by the Group during the six months ended 30 June 2018.

GEARING RATIO

Gearing ratio is our total debt divided by total equity. Total debt includes interest-bearing bank and other borrowings. As at 30 June 2018, our Group had gearing ratio of 87% compared to that of 90% as at 31 December 2017. Details of the gearing ratio are set out in Note 18 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

Our Group's property development, housing construction, and clean room equipment and air diffusion businesses are principally conducted in RMB and SGD, which are the functional currencies of the respective subsidiaries of our Group. Most of our Group's monetary assets and liabilities are denominated in RMB and SGD. Accordingly, our Directors consider our Group's exposure to foreign currency risk is not significant. Our 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 17 to the financial statements, which included guarantees given to banks in connection with banking facilities granted to third parties.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and joint venture, the Group did not hold any significant investment in equity interest in any other company during the six months ended 30 June 2018.

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 2018.

SHARE CAPITAL

Details of the Company's issued share capital during the period are set out in Note 11 to the interim report. There were no movements in the Company's issued share capital during the period.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three Independent Non-Executive Directors as at the date of this report, namely:

Ong Kian Guan *(Chairman)*
Oh Eng Bin
Siu Man Ho Simon

The Audit Committee has reviewed the Group's unaudited interim report for the six months ended 30 June 2018.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Group has applied the principles and the extent of compliance with the guidelines as set out in the Singapore Code of Corporate Governance 2012 ("Code") and the applicable code provisions of the Corporate Governance Code ("HK CG Code") as set out in Appendix 14 to the Rules ("Hong Kong Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK") to provide the structure through which the objectives of protection of shareholders' interest and enhancement of long term shareholders' value are met. In the event of any conflict between the Code and the HK CG Code, the Group will comply with the more onerous provisions. Throughout the six months ended 30 June 2018, the Group had complied with the Code and the HK CG Code, except those appropriately justified and disclosed.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH LISTING MANUAL AND HONG KONG MODEL CODE

In compliance with Rules 1207(19) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the 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 SGX-ST's and 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 throughout the six months ended 30 June 2018.

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 quarterly 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 relevant insider trading laws 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.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated results of the Group for the second quarter of 2018 and the six months ended 30 June 2018 have not been audited or reviewed by the auditors of the Company.

Supplementary Information

1. Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, any variance between it and the actual results

   Not applicable. No prospect statement was previously disclosed in the 1st quarter result announcement for the financial period ended 31 March 2018.

2. If the Group has obtained a general mandate from Shareholders for interest person transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect

   No general mandate has been obtained from its Shareholders for IPTs.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT OR REVIEW OF THE FINANCIAL RESULTS (Continued)

Supplementary Information (Continued)

3. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

   As at 30 June 2018, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

4. Negative assurance confirmation on interim financial results under Rule 705(5) of the Listing Manual of SGX-ST

   On behalf of the Board, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board which may render the Group's unaudited interim financial results for the six months ended 30 June 2018 to be false or misleading in any material aspect.

5. Undertakings from the Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST

   On behalf of the Board, we confirm that we have procured all the required undertakings to comply with SGX-ST's listing rules from all the Directors and executive officers of the Company.

By order of the Board
Weiye Holdings Limited

Zhang Wei
Executive Chairman and Chief Executive Officer
Hong Kong, 12 September 2018

Chen Zhiyong
Executive Director and Chief Operating Officer
Hong Kong, 12 September 2018

CONSOLIDATED INCOME STATEMENT

	Note	GROUP 2Q2018 RMB'000	2Q2017 RMB'000 (Restated)	% change +/(-)	GROUP 1H2018 RMB'000	1H2017 RMB'000 (Restated)	% change +/(-)
Revenue							
– Development properties	3	**202,502**	439,562	-54%	**388,076**	569,362	-32%
– Equipment manufacturing		**13,416**	21,353	-37%	**27,049**	33,928	-20%
		215,918	460,915		**415,125**	603,290	
Cost of sales							
– Development properties		**(116,641)**	(404,148)	-71%	**(223,870)**	(483,949)	-54%
– Equipment manufacturing		**(8,398)**	(15,446)	-46%	**(16,877)**	(23,043)	-27%
		(125,039)	(419,594)		**(240,747)**	(506,992)	
Gross profit		**90,879**	41,321	120%	**174,378**	96,298	81%
Other income	4	**2,238**	2,719	-18%	**2,730**	3,150	-13%
Selling and distribution expenses		**(11,776)**	(8,726)	35%	**(21,833)**	(15,395)	42%
Administrative expenses		**(38,001)**	(36,291)	5%	**(72,196)**	(67,359)	7%
Other operating expenses		**364**	(567)	n.m	**(6,179)**	(657)	840%
Results from operations		**43,704**	(1,544)		**76,900**	16,037	
Net finance income/(expenses)	5	**1,500**	(8,515)	n.m	**2,255**	4,483	-50%
Share of profit of joint ventures (net of tax)		**–**	10,169	-100%	**–**	10,170	-100%
Profit before taxation		**45,204**	110		**79,155**	30,690	
Income tax expenses	6	**(23,475)**	(14,528)	62%	**(49,967)**	(35,050)	43%
Profit/(loss) for the period	7	**21,729**	(14,418)		**29,188**	(4,360)	
Profit/(loss) attributable to:							
Owners of the Company		**20,138**	(15,049)		**27,191**	(12,079)	
Non-controlling interests		**1,591**	631		**1,997**	7,719	
		21,729	(14,418)		**29,188**	(4,360)	

Note:

n.m: Not meaningful

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000 (Restated)	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000 (Restated)	% change +/(-)
Profit/(loss) for the period	**21,729**	(14,418)		**29,188**	(4,360)	
Other comprehensive income/(loss)						
Foreign currency translation differences – foreign operations	**1,071**	(9,613)	n.m	**4,472**	(3,967)	n.m
Total other comprehensive income/(loss) for the period, net of tax	**1,071**	(9,613)		**4,472**	(3,967)	
Total comprehensive income/(loss) for the period	**22,800**	(24,031)		**33,660**	(8,327)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	**21,209**	(24,662)		**31,663**	(16,046)	
Non-controlling interests	**1,591**	631		**1,997**	7,719	
	22,800	(24,031)		**33,660**	(8,327)	

Note:

n.m: Not meaningful

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	**30-Jun-18 RMB'000**	31-Dec-17 RMB'000 (Restated)	**30-Jun-18 RMB'000**	31-Dec-17 RMB'000
Non-current assets					
Property, plant and equipment	8	**54,136**	55,379	**–**	–
Investments in subsidiaries		**–**	–	**1,669,975**	1,669,975
Investment in joint venture		**403,144**	403,144	**–**	–
Investment properties		**473,200**	473,200	**–**	–
Amount due from non-controlling interests (non-trade)		**99,160**	99,160	**–**	–
Amount due from a joint venture partner (non-trade)		**63,049**	128,700	**–**	–
Intangible assets		**4,399**	3,726	**–**	–
Deferred tax assets		**10,345**	10,471	**–**	–
		1,107,433	1,173,780	**1,669,975**	1,669,975
Current assets					
Development properties		**2,787,148**	2,656,168	**–**	–
Inventories		**22,953**	17,629	**–**	–
Trade and other receivables	9	**763,680**	683,208	**192,742**	181,076
Contract assets		**771,585**	771,860	**–**	–
Amount due from a joint venture (non-trade)		**22,781**	21,926	**–**	–
Prepaid tax		**195,118**	141,091	**–**	–
Other investments		**–**	6,520	**–**	–
Cash and cash equivalents		**1,049,332**	803,904	**26,507**	3,350
		5,612,597	5,102,306	**219,249**	184,426

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	GROUP 30-Jun-18 RMB'000	GROUP 31-Dec-17 RMB'000 (Restated)	COMPANY 30-Jun-18 RMB'000	COMPANY 31-Dec-17 RMB'000
Current liabilities					
Trade and other payables	10	**522,754**	609,085	**1,276**	32,385
Contract liabilities		**1,558,257**	1,230,131	**–**	–
Amount due to a joint venture (non-trade)		**294,380**	282,980	**–**	–
Amount due to minority shareholder (non-trade)		**116,952**	184,119	**–**	–
Loans and borrowings		**1,493,891**	1,113,395	**–**	–
Bank overdraft		**4,333**	3,706	**–**	–
Finance lease liabilities		**229**	54	**–**	–
Income tax payable		**174,363**	194,789	**–**	–
		4,165,159	3,618,259	**1,276**	32,385
Net current assets		**1,447,438**	1,484,047	**217,973**	152,041
Non-current liabilities					
Finance lease liabilities		**492**	137	**–**	–
Loans and borrowings		**726,193**	878,188	**216,173**	185,366
Deferred tax liabilities		**272,738**	257,274	**–**	–
		999,423	1,135,599	**216,173**	185,366
Net assets		**1,555,448**	1,522,228	**1,671,775**	1,636,650
Equity					
Share capital	11	**359,700**	359,700	**1,737,554**	1,737,554
Reserves		**993,258**	962,035	**(65,779)**	(100,904)
Equity attributable to owners of the Company		**1,352,958**	1,321,735	**1,671,775**	1,636,650
Non-controlling interests		**202,490**	200,493	**–**	–
Total equity		**1,555,448**	1,522,228	**1,671,775**	1,636,650

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	2Q2018 RMB'000	2Q2017 RMB'000 (Restated)	**1H2018 RMB'000**	1H2017 RMB'000 (Restated)
Cash flows from operating activities:				
Profit before taxation	**45,204**	110	**79,155**	30,690
Adjustments for:				
Amortisation of intangible assets	**172**	268	**342**	549
Depreciation of property, plant and equipment	**1,582**	1,307	**3,028**	2,597
Interest income	**(5,907)**	(6,955)	**(11,700)**	(32,567)
Finance cost	**4,408**	15,470	**9,446**	28,084
Gain on disposal of other investments	**–**	–	**–**	(166)
Property, plant and equipment written off	**142**	–	**318**	20
Gain on disposal of property, plant and equipment	**–**	(626)	**–**	(643)
Gain on disposal of subsidiary	**–**	(29)	**–**	(29)
Net change in fair value on other investments	**–**	293	**298**	782
Impairment loss on other investments	**–**	–	**3,222**	–
Impairment loss on trade receivables and contract assets	**(909)**	–	**1,986**	–
Share of profit of joint ventures (net of tax)	**–**	(10,169)	**–**	(10,170)
Effects of exchange rate changes	**(6,012)**	(15,398)	**1,765**	(4,545)
	38,680	(15,729)	**87,860**	14,602
Change in working capital:				
Development properties	**(117,000)**	194,093	**(96,934)**	(129,766)
Inventories	**(2,191)**	3,930	**(5,324)**	294
Trade and other receivables	**191,540**	132,123	**(92,681)**	250,157
Contract liability	**247,621**	461,103	**328,126**	518,904
Trade and other payables	**(83,290)**	(194,897)	**(74,931)**	11,371
Cash flows generated from operations	**275,360**	580,623	**146,116**	665,562
Income tax paid	**(38,307)**	(92,845)	**(108,830)**	(106,068)
Net cash flows generated from operating activities	**237,053**	487,778	**37,286**	559,494

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	2Q2018 RMB'000	2Q2017 RMB'000 (Restated)	**1H2018 RMB'000**	1H2017 RMB'000 (Restated)
Cash flows from investing activities:				
Purchase of property, plant and equipment	**124**	(1,311)	**(1,282)**	(2,074)
Proceeds from disposal of property, plant and equipment	**–**	1,823	**–**	1,852
Interest received	**7,841**	29,685	**15,521**	32,785
Acquisition of intangible assets	**(370)**	(277)	**(1,410)**	(574)
Purchase of other investments	**–**	–	**–**	(7,908)
Proceed from disposal of other investment	**–**	–	**3,000**	6,012
Repayment from joint venture partner	**71,473**	–	**71,473**	–
Net cash flows generated from investing activities	**79,068**	29,920	**87,302**	30,093
Cash flows from financing activities:				
Amount due to non-controlling interests (non-trade)	**(74,400)**	–	**(67,167)**	–
Increase/(decrease) in restricted cash	**45,781**	14,232	**(172,453)**	3,852
Repayment of finance leases obligations	**(73)**	(17)	**(101)**	(49)
Interest paid	**(8,726)**	(74,083)	**(43,492)**	(129,146)
Repayment of loans and borrowings	**(151,753)**	(1,346,489)	**(344,400)**	(1,734,092)
Proceeds from loans and borrowings	**288,948**	943,788	**575,705**	1,072,228
Net cash flows generated from/ (used in) financing activities	**99,777**	(462,569)	**(51,908)**	(787,207)
Net increase/(decrease) in cash and cash equivalents	**415,898**	55,129	**72,680**	(197,620)
Cash and cash equivalents at the beginning of financial period	**310,370**	543,619	**654,052**	795,829
Effects of exchange rate fluctuations on cash held	**132**	(3)	**(332)**	536
Cash and cash equivalents in cash flow statement	**726,400**	598,745	**726,400**	598,745
Additional information:				
Cash and cash equivalents	**1,049,332**	886,676	**1,049,332**	886,676
Less: restricted cash	**(318,599)**	(283,498)	**(318,599)**	(283,498)
Less: Bank overdraft	**(4,333)**	(4,433)	**(4,333)**	(4,433)
Total cash and cash equivalents in cash flow statement	**726,400**	598,745	**726,400**	598,745

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	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	Total equity RMB'000
	Attributable to owners of the Company								
At 1 January 2018, as previously stated	359,700	(59,669)	(550)	(17,205)	98,826	935,461	1,316,563	200,628	1,517,191
Impact of change in accounting policy	–	–	–	–	–	4,732	4,732	(135)	4,597
At 1 January 2018, as restated	359,700	(59,669)	(550)	(17,205)	98,826	940,193	1,321,295	200,493	1,521,788
Total comprehensive income for the period									
Profit for the period	–	–	–	–	–	7,053	7,053	406	7,459
Other comprehensive income									
Foreign currency translation differences – foreign operations	–	–	–	3,401	–	–	3,401	–	3,401
Total other comprehensive income	–	–	–	3,401	–	–	3,401	–	3,401
Total comprehensive income for the period	–	–	–	3,401	–	7,053	10,454	406	10,860
Contributions by and distributions to owners									
Transfer to statutory reserves	–	–	–	–	2,186	(2,186)	–	–	–
Total contributions by and distributions to owners	–	–	–	–	2,186	(2,186)	–	–	–
Total transactions with owners	–	–	–	–	2,186	(2,186)	–	–	–
At 31 March 2018	359,700	(59,669)	(550)	(13,804)	101,012	945,060	1,331,749	200,899	1,532,648

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
GROUP	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	Total equity RMB'000
At 1 April 2018	359,700	(59,669)	(550)	(13,804)	101,012	945,060	1,331,749	200,899	1,532,648
Total comprehensive income for the period									
Profit for the period	–	–	–	–	–	20,138	20,138	1,591	21,729
Other comprehensive income									
Foreign currency translation differences – foreign operations	–	–	–	1,071	–	–	1,071	–	1,071
Total other comprehensive income	–	–	–	1,071	–	–	1,071	–	1,071
Total comprehensive income for the period	–	–	–	1,071	–	20,138	21,209	1,591	22,800
Contributions by and distributions to owners									
Transfer to statutory reserves	–	–	–	–	3,295	(3,295)	–	–	–
Total contributions by and distributions to owners	–	–	–	–	3,295	(3,295)	–	–	–
Total transactions with owners	–	–	–	–	3,295	(3,295)	–	–	–
At 30 June 2018	359,700	(59,669)	(550)	(12,733)	104,307	961,903	1,352,958	202,490	1,555,448

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to owners of the Company								
	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	Total equity RMB'000
At 1 January 2017, as previously stated	359,700	(59,669)	(550)	(16,264)	91,000	827,126	1,201,343	177,822	1,379,165
Impact of change in accounting policy	–	–	–	–	–	1,761	1,761	–	1,761
At 1 January 2017, as restated	359,700	(59,669)	(550)	(16,264)	91,000	828,887	1,203,104	177,822	1,380,926
Total comprehensive income for the period									
Profit for the period	–	–	–	–	–	1,209	1,209	7,088	8,297
Other comprehensive income									
Foreign currency translation differences – foreign operations	–	–	–	5,646	–	–	5,646	–	5,646
Total other comprehensive income	–	–	–	5,646	–	–	5,646	–	5,646
Total comprehensive income for the period	–	–	–	5,646	–	1,209	6,855	7,088	13,943
Contributions by and distributions to owners									
Transfer to statutory reserves	–	–	–	–	1,986	(1,986)	–	–	–
Total contributions by and distributions to owners	–	–	–	–	1,986	(1,986)	–	–	–
Total transactions with owners	–	–	–	–	1,986	(1,986)	–	–	–
At 31 March 2017	359,700	(59,669)	(550)	(10,618)	92,986	828,110	1,209,959	184,910	1,394,869

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
GROUP	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	Total equity RMB'000
At 1 April 2017, as previously stated	359,700	(59,669)	(550)	(10,618)	92,986	828,110	1,209,959	184,910	1,394,869
Impact of change in accounting policy	–	–	–	–	–	109	109	–	109
At 1 April 2017, as restated	359,700	(59,669)	(550)	(10,618)	92,986	828,219	1,210,068	184,910	1,394,978
Total comprehensive income for the period									
Loss for the period	–	–	–	–	–	(15,158)	(15,158)	631	(14,527)
Other comprehensive loss									
Foreign currency translation differences – foreign operations	–	–	–	(9,613)	–	–	(9,613)	–	(9,613)
Total other comprehensive loss	–	–	–	(9,613)	–	–	(9,613)	–	(9,613)
Total comprehensive income for the period	–	–	–	(9,613)	–	(15,158)	(24,771)	631	(24,140)
Contributions by and distributions to owners									
Transfer to statutory reserves	–	–	–	–	1,435	(1,435)	–	–	–
Total contributions by and distributions to owners	–	–	–	–	1,435	(1,435)	–	–	–
Total transactions with owners	–	–	–	–	1,435	(1,435)	–	–	–
At 30 June 2017	359,700	(59,669)	(550)	(20,231)	94,421	811,626	1,185,297	185,541	1,370,838

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company	Share capital RMB'000	Accumulated losses RMB'000	Foreign currency translation reserve RMB'000	Employee share option reserve RMB'000	Total equity RMB'000
	Attributable to owners of the Company				
Balance as at 1 January 2018	**1,737,554**	**(108,385)**	**6,899**	**582**	**1,636,650**
Total comprehensive loss for the period					
Loss for the period	–	(3,917)	–	–	(3,917)
Other comprehensive income					
Foreign currency translation differences – foreign operations	–	–	545	–	545
Total other comprehensive income	–	–	545	–	545
Total comprehensive (loss)/income	–	(3,917)	545	–	(3,372)
Balance as at 31 March 2018	**1,737,554**	**(112,302)**	**7,444**	**582**	**1,633,278**
Total comprehensive profit for the period					
Profit for the period	–	44,818	–	–	44,818
Other comprehensive loss					
Foreign currency translation differences – foreign operations	–	–	(6,321)	–	(6,321)
Total other comprehensive loss	–	–	(6,321)	–	(6,321)
Total comprehensive income/(loss)	–	44,818	(6,321)	–	38,497
Balance as at 30 June 2018	**1,737,554**	**(67,484)**	**1,123**	**582**	**1,671,775**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				
Company	Share capital RMB'000	Accumulated losses RMB'000	Foreign currency translation reserve RMB'000	Employee share option reserve RMB'000	Total equity RMB'000
Balance as at 1 January 2017	1,737,554	(96,631)	6,915	582	1,648,420
Total comprehensive loss for the period					
Loss for the period	–	(1,889)	–	–	(1,889)
Other comprehensive loss					
Foreign currency translation differences – foreign operations	–	–	(335)	–	(335)
Total other comprehensive loss	–	–	(335)	–	(335)
Total comprehensive loss	–	(1,889)	(335)	–	(2,224)
Balance as at 31 March 2017	1,737,554	(98,520)	6,580	582	1,646,196
Total comprehensive loss for the period					
Loss for the period	–	(2,344)	–	–	(2,344)
Other comprehensive income					
Foreign currency translation differences – foreign operations	–	–	21	–	21
Total other comprehensive income	–	–	21	–	21
Total comprehensive loss	–	(2,344)	21	–	(2,323)
Balance as at 30 June 2017	1,737,554	(100,864)	6,601	582	1,643,873

NOTES TO THE 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 100H Pasir Panjang Road, #01-01, OC@Pasir Panjang, Singapore 118524. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") since 16 August 2011 and 6 April 2016, respectively.

The consolidated financial statements of the Group as at and for the 6 months ended 30 June 2018 comprise of the Company and its subsidiaries.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on historical cost basis.

In December 2017, the Accounting Standards Council (ASC) issued the SFRS(I) which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, are required to apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group adopted SFRS(I) on 1 January 2018 and the first set of SFRS(I) annual financial statements is for the financial year ending 31 December 2018 (first SFRS(I) annual financial statements). Previously, the Group reported its financial statements using the Financial Reporting Standards in Singapore (FRS).

The consolidated financial statements are for part of the reporting period covered by the first SFRS(I) annual financial statements. The Group will prepare its first SFRS(I) annual financial statements by applying the SFRS(I)s that are effective on 1 January 2018. Any subsequent changes to SFRS(I)s that become effective after 30 June 2018 and are adopted by the Group for its first SFRS(I) annual financial statements could result in revisions to the Group's accounting policies and the condensed consolidated financial statements disclosed therein.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has applied the requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* to prepare the consolidated financial statements included in this report with 1 January 2017 as the date of transition.

In addition to the application of SFRS(I) 1, the Group concurrently adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s (collectively "new accounting standards") which are mandatorily effective for the financial year ending 31 December 2018.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes the clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;

- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts – Applying* IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;

- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;

- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;

- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;

- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and

- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*

The application of SFRS(I) 1 and the adoption of the above new accounting standards did not result in any significant impact to the comparative information for this reporting quarter, except as described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

SFRS(I) 15 *Revenue from Contracts with Customers*

The Group adopted SFRS(I) 15 using the retrospective approach. As a result, the Group applied all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedient described below, and the comparative information presented is restated.

The Group did not use the practical expedient for completed contracts whereby completed contracts that began and ended within the same annual reporting period, as well as completed contracts at the beginning of the earliest period presented, were not restated.

Presentation of contract assets and liabilities

Under SFRS(I) 15, for each revenue contract entered into, the Group presents contract assets or contract liabilities in its statement of financial position when the Group has performed the transfer of goods/services to the customer and has established the right to payment for the transfer (contract asset), or the customer had paid a consideration in advance of the transfer of goods/services to the Group (contract liability). As a result of the adoption of SFRS(I) 15, the Group reclassified RMB774,136,000 from trade and other receivables to contract asset and RMB1,230,131,000 from trade and other payables to contract liability.

Sales commissions

The Group previously recognised sales commission expenses paid to sales agents for securing property sales contracts for the Group as an expense when incurred. Under SFRS(I) 15, the Group capitalises such incremental costs as a contract cost asset as they are recoverable. The capitalised costs are amortised consistently with the pattern of revenue for the related property sales contract. Development properties increased by RMB10,020,000 as at 31 December 2017, and selling and distribution expenses decreased by RMB2,494,000 for the six months period ended 30 June 2017. Deferred tax liabilities increase by RMB2,505,000 as at 31 December 2017 and tax expenses increase by RMB624,000 for the six months period ended 30 June 2017.

Significant financing component

The Group receives payments from customers for the sale of commercial and residential property units and construction of resettlement houses. Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the transfer of goods and services is 12 months or more, there may exist a significant financing component arising from payments made by the buyers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

SFRS(I) 15 *Revenue from Contracts with Customers* (Continued)

Significant financing component (Continued)

The Group used the practical expedient that allows the Group to not adjust the promised amount of consideration for the effects of a significant financing component, where the Group expects, at contract inception, that the period between the expected transfer of the development property units and the timing of the pre-sale receipts is one year or less. In estimating the expected timing of transfer of the development property units to the buyers, the Group considered the plans for the respective development property projects, including the stage of construction of the property units and planned timing of property handover to the buyers. Based on management's assessment, the period between the expected transfer of the development property units and the timing of pre-sale receipts for its development property projects is less than 12 months.

SFRS(I) 9 *Financial Instruments*

The Group elected to adopt the optional exemption in SFRS(I) 1 allowing it not to restate comparative information in its first SFRS(I) annual financial statements arising from the adoption of SFRS(I) 9 (i.e. comparative information applies FRS 39 *Financial Instruments: Measurement and Recognition*). Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 were recognised in retained earnings and reserves as at 1 January 2018. The comparative information in this Condensed Consolidated Interim Financial Information is not restated to comply with SFRS(I) 9 and is prepared in accordance with FRS 39.

Impairment

The Group previously recognised an impairment loss on trade and other receivables when there was objective evidence of impairment. Under SFRS(I) 9, loss allowances are measured using the expected credit loss model on either of the following bases:

- 12-month expected credit losses (ECLs). These are ECLs that result from possible default events within the 12 months after the reporting date; or

- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applied the simplified approach and recorded lifetime ECL on all trade and other receivables and contract assets arising from the application of SFRS(I) 15. Upon adoption of SFRS(I) 9, impairment loss of the Group's contract assets and trade and other receivables increased by RMB3,263,000 as at 1 January 2018. The Group recorded a reduction in deferred tax liabilities of RMB785,000 as at 1 January 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards

The following reconciliations show the adjustments to the financial position of the Group and the financial performance and cash flows of the Group previously reported under FRS. There are no significant differences between the statement of cash flows reported under SFRS(I) and the statement of cash flows previously reported under FRS.

Consolidated statement of financial position

	31 December 2017				
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000	SFRS(I) 9 RMB'000	SFRS(I) framework RMB'000
Assets					
Property, plant and equipment	55,379	–	55,379	–	55,379
Intangible assets	3,726	–	3,726	–	3,726
Investment properties	473,200	–	473,200	–	473,200
Joint ventures	403,144	–	403,144	–	403,144
Trade and other receivables	227,860	–	227,860	–	227,860
Deferred tax assets	10,471	–	10,471	–	10,471
Non-current assets	1,173,780	–	1,173,780	–	1,173,780
Inventories	17,629	–	17,629	–	17,629
Development properties	2,646,148	10,020	2,656,168	–	2,656,168
Contract assets	–	774,136	774,136	(2,276)	771,860
Trade and other receivables	1,480,257	(774,136)	706,121	(987)	705,134
Other investments	6,520	–	6,520	–	6,520
Prepaid tax	141,091	–	141,091	–	141,091
Cash and cash equivalents	803,904	–	803,904	–	803,904
Current assets	5,095,549	10,020	5,105,569	(3,263)	5,102,306
Total assets	6,269,329	10,020	6,279,349	(3,263)	6,276,086

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards (Continued)

Consolidated statement of financial position (Continued)

	31 December 2017				
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000	SFRS(I) 9 RMB'000	SFRS(I) framework RMB'000
Equity					
Share capital	359,700	–	359,700	–	359,700
Reserves	956,863	7,515	964,378	(2,343)	962,035
Non-controlling interests	200,628	–	200,628	(135)	200,493
Total equity	1,517,191	7,515	1,524,706	(2,478)	1,522,228
Liabilities					
Loans and borrowings	878,325	–	878,325	–	878,325
Deferred tax liabilities	255,554	2,505	258,059	(785)	257,274
Non-current liabilities	1,133,879	2,505	1,136,384	(785)	1,135,599
Loans and borrowings	1,117,155	–	1,117,155	–	1,117,155
Contract liabilities	–	1,230,131	1,230,131	–	1,230,131
Trade and other payables	2,306,315	(1,230,131)	1,076,184	–	1,076,184
Income tax payable	194,789	–	194,789	–	194,789
Current liabilities	3,618,259	–	3,618,259	–	3,618,259
Total liabilities	4,752,138	2,505	4,754,643	(785)	4,753,858
Total equity and liabilities	6,269,329	10,020	6,279,349	(3,263)	6,276,086

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards (Continued)

Consolidated statement of comprehensive income

	Six month period ended 30 June 2017		
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000
Revenue	603,290	–	603,290
Cost of sales	(499,720)	(7,272)	(506,992)
Gross profit	103,570	(7,272)	96,298
Other income	3,150	–	3,150
Selling and distribution expenses	(25,161)	9,766	(15,395)
Administrative expenses	(67,359)	–	(67,359)
Other operating expenses	(657)	–	(657)
Results from operating activities	13,543	2,494	16,037
Net finance income	4,483	–	4,483
Share of profit of joint ventures (net of tax)	10,170	–	10,170
Profit before tax	28,196	2,494	30,690
Tax expense	(34,426)	(624)	(35,050)
Loss for the period	(6,230)	1,870	(4,360)
Loss attributable to:			
Owners of the Company	(13,949)	1,870	(12,079)
Non-controlling interests	7,719	–	7,719
Loss for the period	(6,230)	1,870	(4,360)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards (Continued)

Consolidated statement of comprehensive income (Continued)

	Six month period ended 30 June 2017		
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(3,967)	–	(3,967)
Total other comprehensive loss for the period, net of tax	(3,967)	–	(3,967)
Total comprehensive loss for the period	(10,197)	1,870	(8,327)
Total comprehensive loss attributable to:			
Owners of the Company	(17,916)	1,870	(16,046)
Non-controlling interests	7,719	–	7,719
Total comprehensive loss for the period	(10,197)	1,870	(8,327)
Earnings per share:			
Basic earnings per share (cents)	(7.11)		(6.16)
Diluted earnings per share (cents)	(7.11)		(6.16)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards (Continued)

Consolidated statement of comprehensive income (Continued)

	Year ended 31 December 2017		
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000
Revenue	1,748,042	–	1,748,042
Cost of sales	(1,508,563)	–	(1,508,563)
Gross profit	239,479	–	239,479
Other income	71,637	–	71,637
Selling and distribution expenses	(62,833)	10,020	(52,813)
Administrative expenses	(139,991)	–	(139,991)
Other operating expenses	(10,442)	–	(10,442)
Results from operating activities	97,850	10,020	107,870
Net finance income	6,215	–	6,215
Share of profit of joint ventures (net of tax)	114,462	–	114,462
Profit before tax	218,527	10,020	228,547
Tax expense	(91,560)	(2,505)	(35,050)
Profit for the year	126,967	7,515	193,497
Profit attributable to:			
Owners of the Company	116,161	7,515	123,676
Non-controlling interests	10,806	–	10,806
Profit for the year	126,967	7,515	134,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial effect on adoption of SFRS(I) and the new accounting standards (Continued)

Consolidated statement of comprehensive income (Continued)

	Year ended 31 December 2017		
	Current framework RMB'000	SFRS(I) 15 RMB'000	SFRS(I) framework RMB'000
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(941)	–	(941)
Total other comprehensive loss for the year, net of tax	(941)	–	(941)
Total comprehensive income for the year	126,026	7,515	133,541
Total comprehensive income attributable to:			
Owners of the Company	115,220	7,515	122,735
Non-controlling interests	10,806	–	10,806
Total comprehensive income for the period	126,026	7,515	133,541
Earnings per share:			
Basic earnings per share (cents)	59.23		63.06
Diluted earnings per share (cents)	59.23		63.06

Except as described above, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

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.

The consolidated financial statements is unaudited and not reviewed by the auditors, but has been reviewed by the Audit Committee of the Company.

3. SEGMENT INFORMATION

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

I. Development properties

Development properties refer to the development and sales of both commercial and residential property units in PRC.

II. Housing construction

Housing construction refers to the construction of resettlement houses in Zhengzhou city, Henan Province, PRC.

III. Clean room equipment, heat ventilation and air-conditioning products, and air purifiers ("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 purifiers (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

The Group's Executive Chairman 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.

There are no inter-segment sales within the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION (Continued)

Reconciliations of reportable revenues, profit or loss, assets and liabilities

	Unaudited six months ended 30 June 2018					
	Development Properties		Equipment Manufacturing		Total	
	2018 RMB'000	2017 RMB'000 (Restated)	**2018 RMB'000**	2017 RMB'000 (Restated)	**2018 RMB'000**	2017 RMB'000 (Restated)
Revenue from external customers	**388,076**	569,362	**27,049**	33,928	**415,125**	603,290
Segments results	**85,811**	19,610	**(8,911)**	(3,573)	**76,900**	16,037
Finance income	**11,700**	31,941	**–**	626	**11,700**	32,567
Finance costs	**(6,010)**	(27,478)	**(3,435)**	(606)	**(9,445)**	(28,084)
Profit before income tax					**79,155**	30,690
Taxation					**(49,967)**	(35,050)
Share of profit/(loss) of equity-accounted investees					**–**	10,170
Non controlling interests					**(1,997)**	(7,719)
Profit/(loss) attributable to owners of the Group					**27,191**	(12,079)
Segment assets	**6,598,903**	5,883,103	**121,127**	103,407	**6,720,030**	5,986,510
Segment liabilities	**2,972,147**	2,152,823	**(32,703)**	35,092	**2,939,444**	2,187,915
Loans and borrowings	**2,001,200**	2,422,733	**223,938**	5,024	**2,225,138**	2,427,757
Total liabilities					**5,164,582**	4,615,672
Other segment information						
Depreciation of property, plant and equipment	**1,880**	1,904	**1,148**	693	**3,028**	2,597
Amortisation of intangible assets	**79**	44	**263**	505	**342**	549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. 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 as at and for the six months period ended 30 June 2018 and 30 June 2017.

Geographical segments

	PRC RMB'000	Singapore RMB'000	Other Countries RMB'000	Total RMB'000
30 June 2018				
Revenue	**391,836**	**23,289**	–	**415,125**
Non-current assets	**1,076,569**	**2,136**	**18,383**	**1,097,088**
30 June 2017				
Revenue	540,711	14,265	48,314	603,290
Non-current assets	1,029,075	17,264	18,608	1,064,947

4. OTHER INCOME

	GROUP	
	1H2018 RMB'000	1H2017 RMB'000
Rental income	**2,498**	1,697
Gain on disposal of quoted equity investment	–	166
Gain on disposal of property, plant and equipment	**32**	643
Gain on disposal of subsidiary	–	29
Others	**200**	615
	2,730	3,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. FINANCE INCOME/COSTS, NET

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000	% change +/(-)
Finance expense	**(4,407)**	(15,816)	-72%	**(9,445)**	(28,083)	-66%
Finance income	**5,907**	7,301	-19%	**11,700**	32,566	-64%
Net finance income	**1,500**	(8,515)		**2,255**	4,483	

6. TAXATION

	GROUP	
	1H2018 RMB'000	1H2017 RMB'000
Current tax expense		
– Current period	**(35,128)**	(19,626)
	(35,128)	(19,626)
Deferred tax expense		
– Origination and reversal of temporary differences	**(425)**	(987)
– Witholding tax on the profits of the Group's PRC subsidiaries	**(8,754)**	(4,892)
	(9,179)	(5,879)
Land appreciation tax expense		
– Land appreciation tax	**(5,660)**	(9,545)
	(5,660)	(9,545)
Taxation	**(49,967)**	(35,050)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. 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 a 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 CONSOLIDATED FINANCIAL STATEMENTS

7. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging/(crediting) the following:

	GROUP			GROUP		
	2Q2018 RMB'000	2Q2017 RMB'000	% change +/(-)	**1H2018 RMB'000**	1H2017 RMB'000	% change +/(-)
Profit/(loss) before taxation is stated after charging/(crediting):						
Amortisation of intangible assets	**172**	268	-36%	**342**	549	-38%
Depreciation of property, plant and equipment	**1,582**	1,307	21%	**3,028**	2,597	17%
Interest income	**(5,907)**	(6,955)	-15%	**(11,700)**	(32,567)	-64%
Finance costs	**4,408**	15,470	-72%	**9,446**	28,084	-66%
Gain on disposal of other investments	**–**	–	n.m	**–**	(166)	-100%
Gain on disposal of subsidiary	**–**	(29)	-100%	**–**	(29)	-100%
Gain on disposal of property, plant and equipment	**–**	(626)	-100%	**–**	(643)	-100%
Property, plant and equipment written off	**142**	–	100%	**318**	20	100%
Net change in fair value on other investments	**–**	293	-100%	**298**	782	-62%
Impairment loss on other investments	**–**	–	n.m	**3,222**	–	100%
Impairment loss on trade receivables and contract assets	**(909)**	–	100%	**1,986**	–	100%

Note:

n.m: Not meaningful

8. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2018, the Group spent approximately RMB1.3 million (1H2017: RMB2.1 million) on the acquisition of property, plant and equipment.

9. TRADE AND OTHER RECEIVABLES

Trade receivables of the Group are non-interest bearing and are normally settled on 30 to 180 days (2017: 30 to 180 days). They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Impairment loss

The ageing of trade receivables at the reporting date is as follows:

	Gross 30 June 2018 RMB'000	**Impairment losses 30 June 2018 RMB'000**	Gross 31 December 2017 RMB'000	Impairment losses 31 December 2017 RMB'000
Group				
Past due but not impaired	**32,158**	**–**	76,231	–
Past due 1–30 days	**6,028**	**–**	4,904	–
Past due 31–60 days	**2,328**	**–**	1,467	–
Past due 61–90 days	**1,287**	**–**	1,715	–
Past due more than 90 days	**10,799**	**(782)**	18,946	(904)
	52,600	**(782)**	103,263	(904)

Trade receivables that are not past due

As at 30 June 2018, included in the trade receivables attributed to the Group's development property operations are amounts of RMB14,313,000 and RMB24,231,000 (2017: RMB14,140,000 and RMB17,982,000) arising from instalment sales and sales pending release of financing by banks, respectively, that were not past due and not impaired.

The trade receivables arising from instalment sales are due between periods ranging from three months to twelve months from the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. TRADE AND OTHER RECEIVABLES (Continued)

Impairment loss (Continued)

Trade receivables that are past due but not impaired

As at 30 June 2018, the Group had trade receivables amounting to RMB19,660,000 (2017: RMB26,128,000) that were past due but not impaired. Included in these trade receivables are amounts of RMB12,345,000 and RMB7,315,000 (2017: RMB19,808,000 and RMB6,320,000) attributed primarily to the clean room and air diffusion products operations, and development properties operations, respectively.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and/or have defaulted in payments. These receivables are not secured by any collateral or credit enhancements. Management had also performed a collective impairment assessment and concluded that there is no significant risk of impairment on a collective basis. On this basis, Management believes that no additional allowance for impairment of doubtful debts in respect of trade receivables is required.

10. 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 is as follows:

	30 June 2018 RMB'000	30 June 2017 RMB'000
Not past due	**241,856**	433,812
Past due 1–30 days	**745**	2,103
Past due 31–60 days	**1,813**	5,524
Past due 61–90 days	**108,887**	103
Past due more than 90 days	**26,925**	35,033
	380,226	476,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. SHARE CAPITAL

	Group	Company	
	Share Capital RMB'000	No of shares issued	Share Capital RMB'000
Issued and fully paid:			
As at 1 January and 30 June 2018	**359,700**	**196,133,152**	**1,737,554**

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.

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

12. LOANS AND BORROWINGS

Amount repayable in one year or less, or on demand

As at 30 June 2018		As at 31 December 2017	
Secured RMB'000	**Unsecured RMB'000**	Secured RMB'000	Unsecured RMB'000
1,498,224	**229**	1,117,101	54

Amount repayable after one year

As at 30 June 2018		As at 31 December 2017	
Secured RMB'000	**Unsecured RMB'000**	Secured RMB'000	Unsecured RMB'000
726,193	**492**	878,188	137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. LOANS AND BORROWINGS (Continued)

Details of any collateral

The bank borrowings for the Group include banker's acceptance, finance lease liabilities, bank overdrafts and bank loans of its subsidiaries. The bank borrowings, excluding finance lease liabilities, are secured by:

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

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

(iii) Corporate guarantee from the Company; and

(iv) Guarantee from third party.

The Group adopts a prudent treasury policy with all financing and treasury activities being managed and controlled at its corporate head office.

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

The carrying amounts of bank and other borrowings are denominated in the following currencies:

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Renminbi	**2,001,200**	1,804,680
Singapore Dollars	**216,173**	185,366
Ringgit Malaysia	**7,765**	5,434
	2,225,138	1,995,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. DIVIDEND

The Board did not declare or recommend interim dividend for the six months ended 30 June 2018 (2017: S$nil).

14. EARNINGS PER SHARE

	GROUP 2nd Quarter ended		GROUP 6 Months ended	
	30-Jun-18	30-Jun-17 (Restated)	**30-Jun-18**	30-Jun-17 (Restated)
Profit/(Loss) attributable to owners of the Company (RMB'000)	**20,138**	(15,049)	**27,191**	(12,079)
Weighted average number of ordinary shares in issue (in thousands)	**196,133**	196,133	**196,133**	196,133
Earning per ordinary share:				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	**10.27**	(7.67)	**13.86**	(6.16)
(ii) On a fully diluted basis (RMB cents)	**10.27**	(7.67)	**13.86**	(6.16)

Diluted earnings per ordinary share is calculated on the same basis as basic earnings per ordinary share as there were no potential dilutive ordinary shares as at 30 June 2018 and 30 June 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. 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:

	GROUP		COMPANY	
	30-Jun-18	31-Dec-17 (Restated)	**30-Jun-18**	31-Dec-17
Net assets attributable to owners of the Company (RMB'000)	**1,352,958**	1,321,735	**1,671,775**	1,636,650
Number of ordinary shares (in thousands)	**196,133**	196,133	**196,133**	196,133
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year (RMB)	**6.90**	6.74	**8.52**	8.34

16. CAPITAL COMMITMENT

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

	GROUP	
	30 June 2018 RMB'000	31 December 2017 RMB'000
Development expenditures authorised and contracted for	**870,130**	1,296,122

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. CONTINGENT LIABILITIES

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

	GROUP	
	30 June 2018 RMB'000	31 December 2017 RMB'000
Guarantees given to banks in connection with banking facilities granted to third parties	**1,074,268**	710,710

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.

In the opinion of the directors, the probability of an outflow of economic benefits arising from the outstanding financial guarantees is low. The directors assessed that the probability of default by the purchasers of the property unit is remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. GEARING RATIO

	GROUP	
	30 June 2018 RMB'000	31 December 2017 RMB'000 (Restated)
Loans and borrowings	**2,225,138**	1,995,480
Less: Cash and cash equivalents	**(1,049,332)**	(803,904)
Net debt	**1,175,806**	1,191,576
Equity attributable to owners of the Company	**1,352,958**	1,321,735
Gearing ratio	**87%**	90%

19. SHARE OPTIONS

As at 30 June 2018, Company does not have any employee share option scheme.

20. 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 interim report, the following significant transactions between the Group and related parties took place during the period on terms agreed between the parties:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. 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. The Group considered the directors of the Company and those of its subsidiaries as key management personnel.

	GROUP	
	30 June 2018 RMB'000 (unaudited)	30 June 2017 RMB'000 (unaudited)
Directors' fees		
– directors of the company	**468**	479
Salaries, representing total compensation to key management personnel	**2,341**	2,331
PRC statutory welfare fund	**35**	62
CPF and the defined contributions	**84**	86
	2,928	2,958
Comprises amount paid/payables to:		
– directors of the company	**2,274**	2,289
– other key management personnel	**654**	669
	2,928	2,958

21. SUBSEQUENT EVENT

With effect from 24 August 2018, the shares of the Company were delisted from the official list of the SGX-ST.