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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% EQUITY INTEREST IN A SUBSIDIARY

On 31 August 2022 (after trading hours), the Vendors, which are indirect wholly-owned subsidiaries of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Equity at the consideration of RMB81,000,000 (which is equivalent to approximately HK\$93,150,000).

Upon Completion, the Target Company will cease to be a subsidiary of the Company, the Group will cease to have any interests in the Target Company and the financial results of the Target Group will cease to be consolidated into the accounts of the Group.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 31 August 2022 (after trading hours), the Vendors, which are indirect wholly-owned subsidiaries of the Company, entered into the Disposal Agreement with the Purchaser in respect of the Disposal.

DISPOSAL AGREEMENT

Date: 31 August 2022

Parties: (i) Vendor A, as seller;
(ii) Vendor B, as seller; and
(iii) the Purchaser, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

Subject of the Disposal

The Vendors agreed to sell and the Purchaser agreed to purchase the Sale Equity, which represents 100% equity interest in the Target Company. As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company.

Consideration

The consideration shall be RMB81,000,000 (which is equivalent to approximately HK\$93,150,000) and shall be payable by the Purchaser to the Vendors in cash within ten days from the date of the Disposal Agreement.

Basis of the consideration

The consideration was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms with reference to the net assets value of the Target Group as at 30 June 2022. The Directors consider the consideration of the Disposal to be fair and reasonable.

Completion

Completion will take place within ten days from the date of the settlement of the consideration. Upon Completion, the Target Company will cease to be a subsidiary of the Company, the Group will cease to have any interests in the Target Company and the financial results of the Target Group will cease to be consolidated into the accounts of the Group.

INFORMATION ON THE GROUP AND THE VENDORS

The Company is an investment holding company incorporated in the Republic of Singapore with limited liability and its subsidiaries are principally engaged in property development business for residential and commercial properties in the PRC, and manufacturing and trading of heating, ventilation, air-conditioning, air purification and clean room equipment.

Each of Vendor A and Vendor B is a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. Vendor A is engaged in property development and management and ancillary services in the PRC, and Vendor B is an investment holding company.

INFORMATION ON THE PURCHASER

The Purchaser is ultimately owned as to 100% by Mr. Li Wei and is principally engaged in property investment and related businesses.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC and is an investment holding company, and its subsidiaries are principally engaged in property development in the PRC. As at the date of this announcement, the Target Company is owned as to 51% by Vendor A and 49% by Vendor B.

A summary of the unaudited financial information of the Target Group for the two years ended 31 December 2020 and 2021 is set out below:

	For the year ended 31 December	
	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(approximate)	(approximate)
Profit/(loss) before taxation	121,265	(23,264)
Profit/(loss) after taxation	102,452	(22,240)

The unaudited net assets value of the Target Group as at 30 June 2022 was approximately RMB80,445,000 (which is equivalent to approximately HK\$92,512,000).

FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will cease to be consolidated into the accounts of the Group. With reference to the net assets value of the Target Group of approximately RMB80,445,000 as at 30 June 2022, the estimated net gain before taxation from the Disposal is approximately RMB555,000. The actual gain or loss on the Disposal may be different from the above and is subject to the review and final audit by the Company's auditor.

It is expected that the net proceeds from the Disposal will be used for general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company is principally engaged in investment holding and its subsidiaries are principally engaged in property development in the PRC. As at the date of this announcement, the projects developed by the subsidiaries of the Target Company is under development. The Disposal strengthens the cash flow of the Group allowing the Group to increase its liquidity and reallocate its resources for future development.

The Directors consider that the Disposal and the terms of the Disposal Agreement have been made on normal commercial terms and are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Weiye Holdings Limited (偉業控股有限公司), a company incorporated in the Republic of Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1570)
“Completion”	completion of the Disposal under the Disposal Agreement
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Vendors of the Sale Equity subject to and upon the terms and conditions as set out in the Disposal Agreement
“Disposal Agreement”	the agreement dated 31 August 2022 entered into between the Vendors and the Purchaser for the sale and purchase of the Sale Equity
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or a company which is a third party and independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Hainan Junhong Investment Co., Ltd.* (海南君弘投資有限公司), a company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	100% of the equity interest of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Weiye Holdings (Shenzhen) Group Co., Ltd.* (偉業控股(深圳)集團有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Target Group”	the Target Company and its subsidiaries
“Vendor A”	Henan Weiye Construction Development Group Co., Ltd.* (河南偉業建設開發集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Vendor B”	Hongji Weiye (Hainan) Non Movable Property Management Group Co., Ltd.* (宏基偉業(海南)不動產管理集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Vendors”	Vendor A and Vendor B
“%”	per cent

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.0 to HK\$1.15. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this rate or any other rate.

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

Hong Kong, 31 August 2022

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

** For identification purpose only*