



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



2022
Interim Report
中期報告

** For identification purpose only*
** 僅供識別*

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Zhang Wei (*Executive Chairman and Chief Executive Officer*)
Mr. Chen Zhiyong (*Chief Operating Officer*)

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

13th Floor, Hongyi Building
Nanshan District, Shenzhen City
Guangdong Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 912, 9/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

Weiye 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 2022, together with the comparative figures for the six months ended 30 June 2021.

Financial Highlights

	Unaudited six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Revenue	1,122,609	558,933
Gross profit	240,843	52,702
Profit/(loss) attributable to owners of the Company	36,609	(90,055)
Profit/(loss) per share (RMB cents)	18.67	(45.92)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

	Unaudited six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Property Development		
Sales	1,059,043	521,668
Cost of sales	(835,654)	(478,498)
Gross profit	223,389	43,170
Gross Profit Margin	21%	8%
Equipment Manufacturing		
Sales	63,566	37,265
Cost of sales	(46,112)	(27,733)
Gross profit	17,454	9,532
Gross Profit Margin	27%	26%

Revenue and Gross Profit Margin ("GP Margin")

Property development business

Property development sales increased significantly from approximately Renminbi ("RMB") 521.7 million for the six months ended 30 June 2021 to approximately RMB1,059.0 million for the six months ended 30 June 2022 as compared with the corresponding period of 2021 due to the Group's property projects could be handed over to the customers as scheduled. Total net saleable floor area ("NSFA") handed over to customers for the current period amounted to approximately 105,034 sq.m. (2021: 62,758 sq.m.).

Revenue from property development business was mainly from the following projects, namely Yuediwan, Weiye Shangcheng Sanhaoyuan and Yuejiangwan, which contributed approximately RMB485.0 million, RMB468.2 million and RMB102.4 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 for the six months ended 30 June 2022 was 21% as compared with 8% for the six months ended 30 June 2021 mainly due to the sales for the six months ended 30 June 2021 were mainly related to the sales for the resettlement residents which the selling price was limited at a pre-determined discount price and the sales of property development business recognized during the six months ended 30 June 2021 were also included unsold units of the projects which were sold at lower price.

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 2022 was mainly due to completion of a few major projects secured in prior years. Thus, the overall revenue of the equipment manufacturing business increased significantly by approximately 70.6% from approximately RMB37.3 million for the six months ended 30 June 2021 to approximately RMB63.6 million for the six months ended 30 June 2022.

Selling and distribution expenses

Selling and distribution expenses for the six months ended 30 June 2022 were approximately 60% lower than the corresponding period of 2021 mainly due to less promotional and marketing activities for property projects launched during the six months ended 30 June 2022.

Administrative expenses

Administrative expenses for the six months ended 30 June 2022 decreased by approximately 35% as compared to the corresponding period of 2021 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 of 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Net finance costs

	Unaudited six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Interest expense	(14,253)	(30,969)
Interest on lease liabilities	(189)	(683)
Interest income	5,751	6,939
Net finance costs	(8,691)	(24,713)

Interest expense for the six months ended 30 June 2022 was lower than the corresponding period of 2021 which was mainly due to a decrease in loans and borrowings during the six months ended 30 June 2022.

Taxation

Tax expenses for the six months ended 30 June 2022 amounted to approximately RMB89,289,000 (2021: RMB5,582,000) which was mainly due to higher provision of corporate income tax of approximately RMB36.3 million and land appreciation tax expense of approximately RMB43.0 million during the six months ended 30 June 2022 as a result of significant increase in revenue during the six months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Review of Financial Position

The decrease in development properties and prepaid costs of approximately RMB663.5 million was mainly due to the properties handed over for Weiye Shangcheng Sanhaoyuan and Yuediwan during the six months ended 30 June 2022.

The decrease in the contract assets by approximately RMB441.3 million was mainly due to the partial collection of receivables in relation to the resettlement house construction projects.

The decrease in contract liabilities of approximately RMB722.3 million was mainly due to the properties hand over for Weiye Shangcheng Sanhaoyuan and Yuediwan during the six months ended 30 June 2022.

The net decrease in loans and borrowings was mainly due to settlement of loans and borrowings used to fund a resettlement housing project during the six months ended 30 June 2022.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2022, the Group's net current assets amounted to approximately RMB1,612.5 million, which decreased by 8% as compared to 31 December 2021, this was mainly due to a decrease in development properties and prepaid costs of approximately RMB663.5 million and contract assets of approximately RMB441.3 million, partially offset by decrease in contract liabilities of approximately RMB722.3 million and decrease in loans and borrowings – current liabilities of approximately RMB341.2 million. Bank and other borrowings are mainly denominated in RMB, United States Dollar and Malaysia Ringgit. As at 30 June 2022, the total outstanding loans and borrowings amounted to approximately RMB964.9 million and cash and cash equivalents amounted to approximately RMB602.3 million. Particulars of loans and borrowings of the Group as at 30 June 2022 are set out in Note 12 to the condensed consolidated financial statements for the six months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The COVID-19 pandemic situation and related prevention and control policies play key factors in determining economic recovery. In addition, 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. Nevertheless, besides taking active measures in response to the current business climate, the Group will conduct timely reviews 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 2022, 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:

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

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 2022, 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 2022, 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:

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

(L) denotes long position

Save as disclosed above, as at 30 June 2022, 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 2022, there were 334 (2021: 497) employees in the Group. Total employee benefits expenses of the Group (including Directors' fee) for the six months ended 30 June 2022 were approximately RMB36.7 million (2021: RMB47.9 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 2022.

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 2022.

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 2022, our Group had net gearing ratio of approximately 18% compared to that of approximately 31% as at 31 December 2021. 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 2022.

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 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE CAPITAL

Details of the Company's issued share capital during the six months ended 30 June 2022 are set out in Note 13 to the condensed consolidated financial statements for the six months ended 30 June 2022. There were no movement in the Company's issued share capital during the six months ended 30 June 2022.

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 2022. In the opinion of the Board, save for the deviation as disclosed below, the Company had complied with the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2022.

CODE PROVISION C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. Mr. Zhang Wei currently performs duties of both chairman and CEO. The Board believes that vesting the roles of both chairman and CEO has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient strategic planning for the Group.

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 2022.

INTERIM DIVIDEND

The Board did not recommend to declare any interim dividend for the six months ended 30 June 2022.

SHARE OPTION SCHEME

There was no share option scheme as at 30 June 2022.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the six months ended 30 June 2022 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 2022.

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 2021 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 2022.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The consolidated results of the Group for the six months ended 30 June 2022 have not been audited or reviewed by the auditors of the Company.

By order of the Board

Weiyee Holdings Limited

Zhang Wei

Executive Chairman and Chief Executive Officer

Hong Kong, 29 August 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	4	1,122,609	558,933
Cost of sales		(881,766)	(506,231)
Gross profit		240,843	52,702
Other income	5	9,769	12,358
Selling and distribution expenses		(11,347)	(28,135)
Administrative expenses		(59,370)	(91,007)
Other operating expenses		(484)	(498)
Share of loss from joint ventures		(108)	(987)
Results from operations		179,303	(55,567)
Net finance costs	6	(8,691)	(24,713)
Profit/(loss) before taxation	8	170,612	(80,280)
Tax expense	7	(89,289)	(5,582)
Profit/(loss) for the period		81,323	(85,862)
Profit/(loss) attributable to:			
Owners of the Company		36,609	(90,055)
Non-controlling interests		44,714	4,193
Profit/(loss) for the period		81,323	(85,862)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Other comprehensive (loss)/income			
Foreign currency translation differences			
– foreign operations		(5,009)	4,134
Total other comprehensive (loss)/income for the period, net of tax		(5,009)	4,134
Total comprehensive income/(loss) for the period		76,314	(81,728)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		34,191	(85,921)
Non-controlling interests		42,123	4,193
		76,314	(81,728)
Earnings/(loss) per share:			
Basic earnings/(loss) per share (RMB cents)	15	18.67	(45.92)
Diluted earnings/(loss) per share (RMB cents)	15	18.67	(45.92)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Non-current assets			
Investment properties		478,000	478,000
Property, plant and equipment	9	66,202	63,613
Intangible assets		919	985
Joint ventures		112,475	112,583
Trade and other receivables		192,160	192,160
Deferred tax assets		57,874	67,096
		907,630	914,437
Current assets			
Development properties and prepaid costs		4,146,631	4,810,108
Inventories		23,438	28,379
Contract costs	22	57,164	68,928
Trade and other receivables	10	557,134	498,537
Contract assets	22	215,955	657,264
Prepaid tax		85,429	106,820
Other investments		2,000	5,200
Cash and cash equivalents		602,331	916,946
		5,690,082	7,092,182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Current liabilities			
Trade and other payables	11	1,112,802	1,295,732
Contract liabilities	22	1,823,887	2,546,213
Loans and borrowings	12	844,073	1,185,224
Income tax payable		296,859	312,514
		4,077,621	5,339,683
Net current assets			
		1,612,461	1,752,499
Non-current liabilities			
Loans and borrowings	12	120,862	344,018
Deferred tax liabilities		378,394	378,397
		499,256	722,415
Net assets			
		2,020,835	1,944,521
Equity			
Share capital	13	359,700	359,700
Reserves		1,022,985	988,794
Equity attributable to owners of the Company			
Non-controlling interests		638,150	596,027
Total equity			
		2,020,835	1,944,521

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Cash flows generated from/(used in) operations	229,864	(27,998)
Income tax paid	(22,950)	(93,353)
Net cash flows generated from/(used in) operating activities	206,914	(121,351)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(8,633)	(1,820)
Proceeds from disposal of property, plant and equipment	702	910
Interest received	5,751	6,939
Amounts due from non-controlling interests (non-trade)	(16,044)	–
Acquisition of intangible assets	–	(57)
Purchases of other investments	–	(6,000)
Purchase of investment property	–	(1,980)
Investment in joint venture	–	(2,940)
Proceeds from disposal of other investments	3,232	10,028
Net cash inflow from disposal of subsidiaries	83,171	35,000
Net cash flows generated from investing activities	68,179	40,080

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cash flows from financing activities:		
Decrease in amount due to non-controlling interests (non-trade)	–	(9,006)
Decrease/(increase) in restricted cash	117,575	(22,757)
Repayment of finance leases obligations	–	(577)
Repayment of principal portion of lease liabilities	(3,381)	(6,263)
Interest paid	(20,001)	(30,969)
Repayment of loans and borrowings	(674,116)	(603,292)
Proceeds from loans and borrowings	111,942	755,833
Net cash flows (used in)/generated from financing activities	(467,981)	82,969
Net (decrease)/increase in cash and cash equivalents	(192,888)	1,698
Cash and cash equivalents at beginning of financial period	434,141	344,600
Effects of exchange rate fluctuations on cash held	(4,704)	(344)
Cash and cash equivalents at end of financial period	236,549	345,954
Additional information:		
Cash and bank balances	602,331	880,490
Less: Restricted cash	(361,321)	(530,075)
Less: Bank overdrafts	(4,461)	(4,461)
Total cash and cash equivalents in condensed consolidated statement of cash flows	236,549	345,954

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 2021	359,700	(59,669)	(550)	(24,564)	123,427	1,074,800	1,473,144	543,457	2,016,601
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(90,055)	(90,055)	4,193	(85,862)
Other comprehensive income									
Foreign currency translation differences – foreign operations	-	-	-	4,134	-	-	4,134	-	4,134
Total comprehensive loss for the period	-	-	-	4,134	-	(90,055)	(85,921)	4,193	(81,728)
Transfer from retained earnings to statutory reserves	-	-	-	-	34,253	(34,253)	-	-	-
At 30 June 2021	359,700	(59,669)	(550)	(20,430)	157,680	950,492	1,387,223	547,650	1,934,873

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 2022	359,700	(59,669)	(550)	(21,184)	134,181	936,016	1,348,494	596,027	1,944,521
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	36,609	36,609	44,714	81,323
Other comprehensive loss									
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	1,382,685	638,150	2,020,835

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Weiyee 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 ("SEHK") 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 29 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 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 2022 for the preparation of the Group's condensed consolidated financial statements:

- Amendments to IFRS 3, Reference to the Conceptual Framework
- Amendment to IAS 16, Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRSs, Annual Improvements to IFRS Standards 2018–2020

The new or amended IFRSs that are effective from 1 January 2022 did not have any significant impact on the Group's accounting policies.

Amendments to IFRS 3: Reference to the Conceptual Framework

Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendment to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to IFRSs: Annual Improvements to IFRS Standards 2018–2020

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

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	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Revenue from external customers	1,059,043	521,668	63,566	37,265	1,122,609	558,933
Segments results	172,443	(53,911)	6,860	(1,656)	179,303	(55,567)
Finance income	5,700	6,783	51	156	5,751	6,939
Finance costs	(10,188)	(27,146)	(4,254)	(4,506)	(14,442)	(31,652)
Profit/(loss) before taxation					170,612	(80,280)
Taxation					(89,289)	(5,582)
Non-controlling interests					(44,714)	(4,193)
Profit/(loss) attributable to owners of the Company					36,609	(90,055)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

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

	30 June 2022 (unaudited)			31 December 2021 (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	6,479,673	118,039	6,597,712	7,884,485	122,134	8,006,619
Segment liabilities	(3,566,177)	(45,765)	(3,611,942)	(4,470,078)	(62,778)	(4,532,856)
Loans and borrowings	(798,032)	(166,903)	(964,935)	(1,366,066)	(163,176)	(1,529,242)
Total liabilities			(4,576,877)			(6,062,098)

	Unaudited six months ended 30 June					
	2022			2021		
	Property Development	Equipment Manufacturing	Total	Property Development	Equipment Manufacturing	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other segment information						
Depreciation of property, plant and equipment	1,431	589	2,020	1,282	2,327	3,609
Depreciation of right-of-use assets	1,634	2,217	3,851	2,604	1,501	4,105
Amortisation of intangible assets	36	44	80	116	45	161

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	
	2022 RMB'000	2021 RMB'000
PRC	1,078,821	534,998
Singapore	43,788	23,935
	1,122,609	558,933

Non-current assets*	30 June		31 December
	2022 RMB'000 (unaudited)	2021 RMB'000 (audited)	2021 RMB'000 (audited)
PRC	630,205	634,963	634,963
Singapore	9,578	1,929	1,929
Other countries	17,813	18,289	18,289
	657,596	655,181	655,181

* Excluding trade and other receivables and deferred tax assets

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER INCOME

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Rental income	2,534	3,299
Gain on disposal of property, plant and equipment	388	725
Gain on disposal of subsidiaries	3,892	1,468
Gain on disposal of an associate	—	4,219
Net change in fair value on other investments	—	250
Negative goodwill arising from business combination	—	314
Government grant	35	20
Others	2,920	2,063
	9,769	12,358

6. NET FINANCE COSTS

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Interest expense	(14,253)	(30,969)
Interest on lease liabilities	(189)	(683)
Interest income	5,751	6,939
	(8,691)	(24,713)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. TAXATION

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Current tax expenses		
– Current period	(36,266)	(11,242)
	(36,266)	(11,242)
Deferred tax expense		
– Origination and reversal of temporary differences	(10,000)	5,772
	(10,000)	5,772
Land appreciation tax expense		
– Current period	(43,023)	(112)
	(43,023)	(112)
	(89,289)	(5,582)

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. PROFIT/(LOSS) BEFORE TAXATION

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

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Depreciation of property, plant and equipment	2,020	3,609
Depreciation of right-of-use assets	3,851	4,105
Amortisation of intangible assets	80	161
Property, plant and equipment written off	21	13

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately RMB8.6 million (2021: RMB1.8 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 2021: 30 to 180 days).

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

	30 June	31 December
	2022 RMB'000 (unaudited)	2021 RMB'000 (audited)
0–30 days	47,029	41,193
31–90 days	3,028	3,004
91–180 days	66	2,376
181–365 days	323	385
Over 365 days	2,385	2,724
	52,831	49,682

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:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
0–30 days	491,399	595,435
31–60 days	1,098	564
61–90 days	1,056	637
Over 90 days	23,700	24,206
	517,253	620,842

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. LOANS AND BORROWINGS

	As at 30 June 2022			As at 31 December 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Amount repayable						
– in one year or less or on demand	823,068	21,005	844,073	1,119,793	65,431	1,185,224
– after one year	120,221	641	120,862	311,636	32,382	344,018
	943,289	21,646	964,935	1,431,429	97,813	1,529,242

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	Number of ordinary shares
	RMB'000	'000
Issued and fully paid:		
As at 1 January and 30 June 2022	359,700	196,133

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 2022 (30 June 2021: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. EARNINGS/(LOSS) PER SHARE

	Six months ended 30 June	
	2022 (unaudited)	2021 (unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	36,609	(90,055)
Weighted average number of ordinary shares in issue (in thousands)	196,133	196,133
Earnings/(loss) per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	18.67	(45.92)
(ii) On a fully diluted basis (RMB cents)	18.67	(45.92)

Diluted earnings/(loss) per ordinary share is calculated on the same basis as basic earnings/(loss) per ordinary share as there were no potential dilutive ordinary shares as at 30 June 2022 and 30 June 2021.

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:

	30 June 2022 (unaudited)	31 December 2021 (audited)
Net assets attributable to owners of the Company (RMB'000)	1,382,685	1,348,494
Number of ordinary shares (in thousands)	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)	7.05	6.88

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:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Development expenditures authorised and contracted for	624,337	496,855

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. CONTINGENT LIABILITIES

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Guarantees granted to financial institutions on behalf of purchasers of property units	1,224,971	2,034,501

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Loans and borrowings	964,935	1,529,242
Less: Cash and cash equivalents	(602,331)	(916,946)
Net debt	362,604	612,296
Total equity	2,020,835	1,944,521
Net gearing ratio	18%	31%

20. SHARE OPTIONS

As at 30 June 2022, Company does not have any share option scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. BUSINESS COMBINATION

In March 2021, the partners of Deqing Fengjing Enterprise Management Partnership (Limited Liability Partnership) (“Deqing Fengjing”), the then associate of the Group, exited its investment in Hangzhou Junwei Real Estate Co., Ltd. (“Hangzhou Junwei”), the then subsidiary of Deqing Fengjing and a company whose principal activity is property development, in accordance with the co-operation agreement dated 21 January 2020. Accordingly, Deqing Fengjing ceased to have any interest in Hangzhou Junwei which then became a subsidiary of the Group.

The provisional fair value of identifiable assets and liabilities of Hangzhou Junwei as at the date of business combination were:

	RMB'000
Property, plant and equipment	213
Development properties and prepaid costs	955,288
Trade and other receivables	13,929
Prepaid tax	2,364
Cash and cash equivalents	81,445
Trade and other payables	(373,456)
Loans and borrowings	(430,000)
Contract liabilities	(226,020)
Deferred tax liabilities	(3,268)
Total identifiable net assets at fair value	20,495
Transferred from trade and other receivables	(19,000)
Fair value of an associate	(1,181)
Negative goodwill arising from business combination	314

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. CONTRACT BALANCES

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

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Trade receivables	52,469	49,326
Contract costs	57,164	68,928
Contract assets	215,955	657,264
Contract liabilities	(1,823,887)	(2,546,213)

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

23. 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:

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.

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Directors' fees		
– directors of the company	330	330
Salaries, representing total compensation to key management personnel	2,297	2,006
PRC statutory welfare fund	71	69
CPF and the defined contributions	68	54
	2,766	2,459
Comprises amount paid/payables to:		
– directors of the company	2,160	1,853
– other key management personnel	606	606
	2,766	2,459

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. 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.

On 24 June 2021, the Group disposed its entire interests in Huizhoushi Dajinzhou Property Development Co., Ltd. (“Huizhoushi Dajinzhou”) at a cash consideration of RMB35,000,000. Huizhoushi Dajinzhou was engaged in the property development in the PRC. The net assets of Huizhoushi Dajinzhou at the date of disposal was approximately RMB33,532,000. A gain of approximately RMB1,468,000 was resulted from the disposal of Huizhoushi Dajinzhou.



WEIYE HOLDINGS LIMITED
偉業控股有限公司