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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 37.5% EQUITY INTEREST IN A SUBSIDIARY**

The Board wishes to announce that on 21 September 2022 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Equity at the consideration of RMB39,112,380 (equivalent to approximately HK\$44,979,000). Upon completion of the Disposal, the Group will cease to have any interests in the Target Company, and the financial results of the Target Company will cease to be consolidated into the accounts of the Group.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios as set out in the Listing Rules exceeds 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

#### **INTRODUCTION**

The Board wishes to announce that on 21 September 2022 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Equity at the consideration of RMB39,112,380 (equivalent to approximately HK\$44,979,000).

## **SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 21 September 2022

Parties: (1) the Vendor, as vendor; and  
(2) the Purchaser, as purchaser

### **Subject matter**

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Equity. As at the date of this announcement, the Vendor directly held 37.5% equity interests in the Target Company.

### **Consideration**

Pursuant to the Sale and Purchase Agreement, the total consideration shall be RMB39,112,380 (equivalent to approximately HK\$44,979,000) and payable by the Purchaser to the Vendor in cash within five working days from the date of the Sale and Purchase Agreement.

The consideration under the Sale and Purchase Agreement was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the net assets value of the Target Company as at 30 June 2022. The Directors considered the consideration for the Disposal to be fair and reasonable.

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

### **Completion**

Pursuant to the Sale and Purchase Agreement, completion shall take place within five working days upon settlement of the consideration. Upon completion of the Disposal, the Group will cease to have any interests in the Target Company, and the financial results of the Target Company will cease to be consolidated into the accounts of the Group.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in property development in the PRC. As at the date of this announcement, the Vendor directly held 37.5% equity interests in the Target Company.

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

	<b>For the year ended 31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(approximately)	(approximately)
Loss before taxation	16,254	8,479
Loss after taxation	16,324	8,131

The unaudited net assets value of the Target Company as at 30 June 2022 was approximately RMB91,822,631 (equivalent to approximately HK\$105,596,026).

### **INFORMATION OF THE GROUP AND VENDOR**

The Company is a company incorporated under the laws of Singapore with limited liability and principally engaged in investment holding.

The Group is 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.

The Vendor is a company established under the laws of the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and principally engaged in property development and management and ancillary services in the PRC.

### **INFORMATION OF THE PURCHASER**

The Purchaser is a company established in the PRC with limited liability, ultimately owned as to 80% and 20% by Wang Jin Tao and Liu Jian Hong, respectively, and principally engaged in real estate leasing and brokerage services in the PRC.

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

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As at the date of this announcement, the projects developed by the Target Company was under development. The Disposal would strengthen the cash flow of the Group, by which the Group is allowed to increase its liquidity and reallocate its resources for future development.

The estimated net gain before taxation from the Disposal is approximately RMB4,678,893 (equivalent to approximately HK\$5,381,000), being the difference between the consideration and unaudited net assets attributable to the Sale Equity as at 30 June 2022. The actual gain or loss on the Disposal may be different from the above and is subject to the review and final audit of the Group for the financial year ending 31 December 2022.

The Directors considered that the Disposal was made on normal commercial terms and the terms of the Sale and Purchase Agreement were fair and reasonable and were in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios as set out in the Listing Rules exceeds 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“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)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Equity by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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

“PRC”	the People’s Republic of China
“Purchaser”	Xinxiang City Haokang Real Estate Leasing Limited* (新鄉市浩康房地產租賃經營有限公司), a company established under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 September 2022 entered into between the Vendor and the Purchaser for the Disposal
“Sale Equity”	37.5% of the equity interest of the Target Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hunan Jingke Property Co. Ltd.* (湖南精科置業有限公司), a company established under the laws of the PRC with limited liability and directly held as to 37.5% by the Vendor as at the date of this announcement
“Vendor”	Henan Weiye Construction Development Group Co., Ltd* (河南偉業建設開發集團有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

*Note:* Unless otherwise stated, the figures in RMB are converted into HK\$ at the rate of RMB1.00 to HK\$1.15 throughout this announcement for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

By Order of the Board  
**WEIYE HOLDINGS LIMITED**  
**Zhang Wei**

*Executive Chairman and Chief Executive Officer*

Hong Kong, 21 September 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*