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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Reference is made to the annual report of WEIYE HOLDINGS LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 (the “**2024 Annual Report**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as those defined in the 2024 Annual Report.

The Board would like to provide the following supplemental information regarding the impairment loss on property, plant and equipment of RMB110 million for the year ended 31 December 2024 (the “**Impairment**”) recorded by the Company as disclosed in the 2024 Annual Report.

Reasons and circumstances leading to recognition of the Impairment for the year ended 31 December 2024

The Company is principally engaged in the property development business in the PRC. Yizheng Honglin Property Co., Ltd. (“**Yizheng Honglin**”), a non-wholly-owned subsidiary of the Company, is principally engaged in the development of residential and commercial projects in Yangzhou, the PRC. Part of the completed floor area of not less than 10,000 sq. m. has no legal title and is restricted from being transferred to others under Contract for State-owned Construction Land Use Rights (國有建設用地使用權出讓合同). Thus, Yizheng Honglin occupied the area for operating units, and it is classified as freehold building (the “**Property**”) with a carrying amount of approximately RMB110 million.

After completion of the first project in 2020, Yizheng Honglin started generating revenue. In 2023, all residential units were sold out and the commercial properties, including the Property, remained on the books. The Property is currently used by the Group as an operating unit in Yangzhou, and together with the office operation are treated as a cash generating unit (the “CGU”). As the Company had been looking for further investment in Yangzhou in relation to potential property development projects, the Company did not recognise any impairment loss during the year ended 31 December 2023.

During the year ended 31 December 2024, no sales were recorded from the CGU and a net loss of approximately RMB10 million was incurred by Yizheng Honglin. The Company was first aware of the factors leading to the recognition of the Impairment at the planning stage in December 2024 after discussion with auditors. The Company considered that the general economic environment of property development market in Yangzhou was facing adverse challenges, which made the Group difficult to expand its business in Yangzhou. The substantial impairment was decided to be made given that the Company considered that such loss-making position was hard to turn around in the near future in view of the lack of positive government policy as well as challenging business environment. Thus, the Company decided not to make further investment and contribute further resources in Yizheng Honglin in view of its unsatisfactory financial performance. As a result of the aforesaid factors, the Directors considered it appropriate to make an impairment indication on the CGU and the Company therefore engaged an independent professional valuer in March 2025 to appraise the value-in-use of the CGU as at 31 December 2024 (the “**Valuation**”) to support the impairment assessment by the Board.

Impairment assessment

The Company engaged an independent professional valuer (the “**Valuer**”), namely Royson Valuation Advisory Limited, with relevant qualification and experience to conduct the Valuation as at 31 December 2024 (the “**Appraisal Date**”). The Valuation is performed based on value-in-use, as defined in Hong Kong Accounting Standard 36 – Impairment of Assets. Value-in-use is the present value of the future cash flows expected to be derived from an asset or a CGU; and a CGU is the smallest identifiable group of assets that generates cash inflows that is largely independent of the cash inflows from other assets or group of assets.

Valuation approach

The valuation methodology adopted by the Valuer was income approach, and the discounted cash flow analysis under the income approach was adopted to deduce the value-in-use of the CGU.

Key valuation assumptions and inputs

Value-in-use was determined based on financial budgets of Yizheng Honglin or the CGU approved by the management of the Company (the “**Projection**”), which included the sales proceeds, the cost of the properties and operating expenses in relation to the sales operations for Yizheng Honglin with key assumptions of the growth rate of revenue, gross profit margin, duration of the Projection, expected cash flows at the end of the Projection and discount rate applied.

The management of the Company expected the remaining commercial properties of Yizheng Honglin would be disposed of eventually in 3 years after the Appraisal Date with zero revenue growth rate. A gross profit margin of 20.0% above the book cost of the remaining commercial properties as at the Appraisal Date was adopted with reference to the prevailing market prices.

For the purpose of the Valuation, the forecast period was set on a 3-year basis, as the potential uses or availability of lessees at the end of the 3-year period are uncertain. The CGU was estimated to generate a net cashflow of approximately RMB601,000 during the forecast period, with a present value of RMB531,000 as at the Appraisal Date.

In terms of terminal value, given the transfer restrictions, the Property was also expected not to generate disposal proceeds at the end of the forecast period.

The discount rate applied (i.e. 9.49%) was calculated with reference to the cost of equity and debt by referring to the ratio of the companies with similar industries and public data such as risk-free rate of the PRC.

As the need for impairment on the CGU was noticed during the year ended 31 December 2024 after the change of business plan for the CGU as mentioned above, there has been no changes in the value of inputs or assumptions of the Valuation, and also no changes in the valuation method adopted in the Valuation from the Appraisal Date up to the date of this announcement.

Save as disclosed above, the other information contained in the 2024 Annual Report remains unchanged.

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

Hong Kong, 12 September 2025

As at the date of this announcement, the executive Director is Mr. Chen Zhiyong; and the independent non-executive Directors are Mr. Liu Ning, Mr. Dong Xincheng and Ms. Chan Sze Man.

* For identification purpose only