

## **CHINA YUANBANG PROPERTY HOLDINGS LIMITED**

(Incorporated in Bermuda)

(Co. Reg. No.: 39247)

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### **RESPONSE TO SGX-ST'S FURTHER QUERIES IN RELATION TO THE COMPANY'S FULL YEAR RESULTS ENDED 30 JUNE 2015 ("FY2015")**

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The Board of Directors of China Yuanbang Property Holdings Limited (the "Company" or together with its subsidiaries, the "Group") refers to the Group's full year ended 30 June 2015 results announcement released to SGX-ST via SGXNet on 28 August 2015 and the response to SGX's queries on 7 September 2015.

The information is further provided in response to SGX's further queries as follows:

#### **Query 1**

In the Company's Full Year Financial Results Announcement, there was a provision made by the Company for the impairment on other receivables of RMB 7.7 million. The Company disclosed in its announcement dated 7 September 2015 (the "Announcement") that on 9 October 2011, the Group entered into a disposal agreement to dispose its 56% equity interest in Chengdu Hui Fu Investment Co. Ltd. for a total consideration of RMB20,000,000 and as at 30 June 2015, the Group had only received RMB16,000,000. In view of the long aging of the receivable, the Management is of the view that it is remote to recover the balance amount of RMB4,000,000 and thus, a full provision for impairment was made. Please:-

- i) Disclose the name of the debtor;
- ii) Explain why is the debtor not paying the balance amount of RMB4 million? And
- iii) Disclose the actions taken by the Company to recover the RMB4 million and when were these actions taken

#### **Response :**

- i) The name of the debtor is Mr. He Qing.
- ii) Based on the Group's understanding, Mr. He is in financial difficulties and is not able to repay the balance amount of RMB4 million.
- iii) The Group had met and discussed with Mr. He on repayment plan several times throughout 2012 to 2015 but no agreement was reached. The Group has in May 2015 issued a final demand letter to Mr. He, outlining the amount of the debt, the period of outstanding and requesting to repay on or before 30 June 2015, but no repayment was noted up to now. In view of that, a full provision for impairment was made by Management. The Group is evaluating its options against Mr. He and will not hesitate to take legal action to recover the amount if necessary.

## **Query 2**

It was disclosed in the Announcement that the Group is not able to recover the deposits paid to certain agents in 2012 which amounts to RMB3.69 million despite efforts by the Management to follow up with these agents. Please:-

- i) Elaborate on the efforts by the Management and why they were unable to recover the deposits;
- ii) Disclose the names of the agents; and
- iii) Explain why the Company did not proceed to acquire the land banks despite the deposits paid and disclose when were the actions taken.

## **Response :**

- i) Management had met and discussed with the agents several times during 2013 to 2015 with a view to agreeing a repayment plan. As no agreement had been reached, the Group had in May 2015 issued a final demand letter to the agents, outlining the amount of the deposit, the period of outstanding and requesting to repay on or before 30 June 2015, but no repayment was noted up to now. In view of that, a full provision for impairment was made by Management. The Group is evaluating its options against the agents and will not hesitate to take legal action to recover the amount if necessary.
- ii) The names of the agents are Huizhou Luo Fu Shan Yancheng Ecological Tourism Development Co., Ltd. (惠州市罗浮山燕城生态旅游开发有限公司) and Hubei Dushan Construction Engineering Co., Ltd. (湖北独山建筑工程有限公司).
- iii) In 2013, the Group was informed by the agents that the probability to obtain land banks in Huizhou was low. In view of that, the Group had requested the agents to cease pursuing the opportunity to acquire land banks in Huizhou and refund the deposits.

By Order of the Board

Chong Ching Hoi  
CFO/Company Secretary

17 September 2015