

CHINA YUANBANG PROPERTY HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No.: 39247)

RESPONSES TO QUERIES FROM SGX REGCO

The Board of Directors of China Yuanbang Property Holdings Limited (the "**Company**" or together with its subsidiaries, the "**Group**") refers to its half-year results announcement for the period ended 31 December 2020 released to SGX-ST on 11 February 2021.

The following information is in response to the SGX RegCo's queries dated 17 February 2021.

- 1) We noted loan receivables amounting to RMB 65,641,000 (30 Jun 2020: RMB 76,527,000). Please disclose the terms of the loan receivables and the identity of the borrower and whether this is a related party. Please reconcile the movement of the loan receivables with the interest income or principal payments received and the cash flow statement.

Response:

The borrowers are Guangzhou Jiadi Xindu Development Co., Ltd ("Jiadi Xindu") and Kaiping Qingshi Auto Parts Co., Limited ("Kaiping Qingshi"). Jiadi Xindu is an independent third party. Kaiping Qingshi is considered as a related party, as the Company's Executive Director, Mr Zhou Jiangtao, holds an effective 28.6% equity interest in Kaiping Qingshi.

The details for the loan receivables made to Jiadi Xindu and Kaiping Qingshi are as follows:

a) Kaiping Qingshi loan as at 31 December 2020

Principal Amount RMB'000	Interest rate	Borrowing date	Repayment date	Outstanding amount RMB'000
23,500	16% p.a.	30/9/2019	29/9/2020	4,700
			28/3/2021	18,800
				<u>23,500</u>
			Add: accrued interest	7,785
			Less: Provision for impairment	<u>(8,951)</u>
				<u><u>22,334</u></u>

The sales proceeds of the property development project of Kaiping Qingshi are pledged against the Group's loan.

<u>Movement</u>	RMB'000
Balance as at 30 June 2020	20,454
Accrued interest*	<u>1,880</u>
Balance as at 31 December 2020	<u><u>22,334</u></u>

*The increase in accrued interest was classified as Decrease/ (increase) in prepayments, deposits paid and other receivables

b) Jiadi Xindu loan as at 31 December 2020

Principal Amount RMB'000	Interest rate	Borrowing date	Repayment date	Outstanding balance RMB'000
18,000	16% p.a.	26/10/2018	25/10/2020	18,000
26,000	16% p.a.	9/7/2018	8/7/2020	<u>13,100</u>
			Total	<u><u>31,100</u></u>
			Add: accrued interest	18,236
			Less: provision of impairment	<u>(6,029)</u>
				<u><u>43,307</u></u>

The sales proceeds of the property development project of Jiadi Xindu are pledged against the Group's loan.

Movement

	RMB'000
Balance as at 30 June 2020	56,073
Repayment during the period*	(14,554)
Interest received during the period	(700)
Accrued interest*	<u>2,488</u>
Balance as at 31 December 2020	<u><u>43,307</u></u>

*The repayment and increase in accrued interest were classified as Decrease / (increase) in prepayments, deposits paid and other receivables

The Group is currently in the process of negotiating a renewal of the loan with Kaiping Qingshi and Jiadi Xindu. The Group will announce once the renewal terms is finalised.

- 2) We noted a significant increase in proceeds from bank and other borrowings from RMB 49,410,000 to RMB 120,000,000. Please disclose the terms of the loan(s) extended to the Group and also the identity of the lender of the "other borrowings". To also disclose the interest rates charged on these loans and whether they are higher than the loans extended by the Company under "loans receivable".

Response:

The increase was mainly due to the following bank loans obtained during the period.

- i) A new bank borrowing of RMB 100 million was granted to the Group on 26 August 2020 by Guangdong Huaxing Bank Co., Ltd. The loan bearing an interest rate of 8% p.a. and will be due on 25 August 2023. The loan interest rate is lower than the interest rate of loan receivables i.e. 16% p.a..
- ii) A new other borrowing of RMB 20 million was granted to the Group on 15 December 2020 by Guangzhou Anyida Internet Microfinance Co., Ltd.. The loan bearing an interest rate of 9.5% p.a. and will be due on 14 December 2021. The loan interest rate is lower than the interest rate of loan receivables i.e. 16% p.a..

BY ORDER OF THE BOARD

Huang Tak Wai
Chief Financial Officer / Company Secretary
Date: 22 February 2021