



CHINA YUANBANG PROPERTY HOLDINGS LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 39247)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for the year ended 30 June 2020. These figures have not been audited.

	Group Year ended		% Changes
	30/6/2020 RMB'000 Unaudited	30/6/2019 RMB'000 Audited	
Revenue	577,148	1,943,703	(70.3)
Cost of sales	(365,037)	(1,638,587)	(77.7)
Gross profit	212,111	305,116	(30.5)
Other income and gains	57,988	69,497	(16.6)
Fair value adjustments on investment properties	(17,800)	584	N.M
Selling expenses	(10,633)	(40,969)	(74.0)
Administrative expenses	(61,148)	(99,282)	(38.4)
Other operating expenses	(37,570)	(46,440)	(19.1)
Operating profit	142,948	188,506	(24.2)
Finance costs	(16,625)	(2,602)	538.9
Profit before income tax	126,323	185,904	(32.0)
Income tax expense	(70,583)	(95,279)	(25.9)
Profit for the year	55,740	90,625	(38.5)
Other comprehensive income, net of tax items, that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	5,222	5,206	0.3
Total comprehensive income for the year	60,962	95,831	(36.4)
Profit attributable to:			
Owners of the Company	46,010	87,938	(47.7)
Non-controlling interests	9,730	2,687	262.1
	55,740	90,625	(38.5)
Total comprehensive income attributable to:			
Owners of the Company	51,232	93,144	(45.0)
Non-controlling interests	9,730	2,687	262.1
	60,962	95,831	(36.4)

* Not Meaningful

The Group's profit before income tax is arrived at after charging/(crediting):

	Group	
	Year ended	
	30/06/2020	30/06/2019
	RMB'000	RMB'000
	Unaudited	Audited
Amortisation of land use rights	277	288
Depreciation of property, plant and equipment	6,250	5,934
Interest charges on financial liabilities carried at amortised cost	85,377	75,303
Less: amount capitalised in properties held under development	(68,752)	(72,701)
	16,625	2,602
Interest income	(18,610)	(25,978)
Write-down of properties held for sale to net realisable value	-	15,765
Gain on disposals of property, plant and equipment	(64)	(9)
Provision for impairment of other receivables	17,166	16,159
Provision for impairment of loan receivables	332	6,496
Provision for impairment of account receivables	-	477

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	30/6/2020 RMB'000 Unaudited	30/6/2019 RMB'000 Audited	30/6/2020 RMB'000 Unaudited	30/6/2019 RMB'000 Audited
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	134,381	134,381
Property, plant and equipment	105,469	108,163	-	-
Investment properties	569,800	587,600	-	-
Land use rights	9,529	9,806	-	-
Deposit paid	120,000	120,000	-	-
Loan receivables	-	40,070	-	-
Deferred tax assets	45,542	40,913	-	-
	850,340	906,552	134,381	134,381
Current assets				
Properties held under development	504,042	439,918	-	-
Properties held for sale	1,144,273	1,252,513	-	-
Accounts receivable	34,733	59,157	-	-
Prepayments, deposits paid and other receivables	493,349	570,246	1,501	1,483
Due from subsidiaries	-	-	325,477	324,300
Contract assets	32,585	31,165	-	-
Loan receivable	76,527	109,269	-	-
Cash and bank balances	80,510	123,147	-	-
	2,366,019	2,585,415	326,978	325,783
Current liabilities				
Accounts payable	411,803	504,671	-	-
Contract liabilities	548,870	562,832	-	-
Accruals, deposits received and other payables	166,384	412,013	3,051	1,989
Interest-bearing bank and other borrowings	113,073	431,595	-	-
Income tax payable	253,157	165,340	-	-
	1,493,287	2,076,451	3,051	1,989
Net current assets	872,732	508,964	323,927	323,794
Total assets less current liabilities	1,723,072	1,415,516	458,308	458,175
Non-current liabilities				
Interest-bearing bank and other borrowings	573,291	359,749	-	-
Deferred tax liabilities	135,568	140,016	-	-
	708,859	499,765	-	-
Net assets	1,014,213	915,751	458,308	458,175
EQUITY				
Equity attributable to owners of the Company				
Share capital	6,255	133,882	6,255	133,882
Reserves	761,757	552,893	452,053	324,293
	768,012	686,775	458,308	458,175
Non-controlling interests	246,201	228,976	-	-
Total equity	1,014,213	915,751	458,308	458,175

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30/06/2020		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
113,073	-	431,595	-

Amount repayable after one year

As at 30/06/2020		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
545,625	27,666	331,974	27,775

Details of any collateral

As at 30 June 2020, the Group's interest-bearing borrowings from banks and other financial institutions of RMB 220.5 million (2019: RMB270.3 million) and other borrowings of RMB 438.2 million (2019: RMB493.2 million) were secured by the pledge of the Group's properties held under development, properties held for sale, bank deposits, construction in progress, investment properties, property plant and equipment of RMB57.9 million, RMB348.1 million, RMB1.5 million, RMB nil, RMB515.4 million, RMB535.9 million (2019: RMB95.5 million, RMB858.9 million, RMB3.2 million, RMB2.8 million, RMB584.3 million, RMB43.7 million), respectively.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Year ended	
	30/6/2020 RMB'000 Unaudited	30/6/2019 RMB'000 Audited
Cash flows from operating activities		
Profit before income tax	126,323	185,904
Adjustments for:		
Amortisation of land use rights	277	288
Depreciation of property, plant and equipment	6,250	5,934
Fair value adjustments on investment properties	17,800	(584)
Interest expense	16,625	2,602
Interest income	(18,610)	(25,978)
Gain on disposals of property, plant and equipment	(64)	(9)
Impairment of inventories	-	15,765
Impairment loss on other receivables	17,166	16,159
Impairment loss on loan receivables	332	6,496
Impairment loss on account receivables	-	477
Operating profit before working capital changes	166,099	207,054
decrease/ (Increase) in properties held under development	7,671	(128,379)
Decrease in properties held for sale	105,197	1,508,798
decrease/ (Increase) in account and bill receivables	24,421	(29,525)
Decrease in prepayments, deposits paid and other receivables	53,314	119,604
Increase in contract assets/ due from customer for contract work	(1,420)	(4,884)
Increase in account payables	(92,868)	(149,993)
Decrease in contract liabilities/ receipts in advance	(13,964)	(796,687)
Increase in accruals, deposits received and other payables	(127,057)	(536,171)
Cash generated from operations	121,393	189,817
Income taxes paid	(70,583)	(120,340)
Interest received	16,277	542
<i>Net cash generated from operating activities</i>	67,087	70,019
Cash flows from an investing activity		
Decrease in restricted bank deposits	8,130	964
Repayment/ (increase) in loan receivables	72,480	(113,600)
Increase in deposit paid	-	(35,000)
Purchases of property, plant and equipment	(4,030)	(8,228)
Proceeds from disposal of property, plant and equipment	6,956	343
<i>Net cash generated from/ (used in) investing activities</i>	83,536	(155,521)
Cash flows from financing activities		
Interest paid	(85,377)	(2,602)
Proceeds from bank and other borrowings	131,911	281,383
Repayments of bank and other borrowings	(236,889)	(249,794)
<i>Net cash (used in)/ generated from financing activities</i>	(190,355)	28,987
Net decrease in cash and cash equivalents	(39,732)	(56,515)
Effect on exchange translation	5,225	316
Cash and cash equivalents at beginning of period	105,152	161,351
Cash and cash equivalents at end of period	70,645	105,152

	Group	
	Year ended 30/6/2020 RMB'000 Unaudited	30/6/2019 RMB'000 Unaudited
Cash and bank balances	80,510	123,147
Less: Restricted bank deposits	(9,865)	(17,995)
Cash and cash equivalents for the purpose of statement of cash flows	70,645	105,152

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Share premium* RMB'000	Capital reserve* RMB'000	Merger reserve* RMB'000	Revaluation reserve* RMB'000	Statutory reserve* RMB'000	Translation reserve* RMB'000	Retained profits* RMB'000	Non-controlling Interests RMB'000	Total Equity RMB'000
At 30 June 2018 (Audited)	133,882	302,585	-	20,720	10,293	93,892	4,064	56,384	290,229	912,049
Adjustment on adoption of IFRS 15	-	-	-	-	-	-	-	1,957	1,880	3,837
Adjustment on adoption of IFRS 9	-	-	-	-	-	-	-	(31,688)	(14,278)	(45,966)
At 1 July 2018	133,882	302,585	-	20,720	10,293	93,892	4,064	26,653	277,831	869,920
Profit/ (loss) for the year	-	-	-	-	-	-	-	87,938	2,687	90,625
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	5,206	-	-	5,206
Total comprehensive income for the year	-	-	-	-	-	-	5,206	87,938	2,687	95,831
Purchase of non-controlling interest	-	-	1,542	-	-	-	-	-	(51,542)	(50,000)
Transfer to statutory reserve	-	-	-	-	-	3,322	-	(3,322)	-	-
At 30 June 2019 (Audited)	133,882	302,585	1,542	20,720	10,293	97,214	9,270	111,269	228,976	915,751
At 1 July 2019 (Audited)	133,882	302,585	1,542	20,720	10,293	97,214	9,270	111,269	228,976	915,751
Profit/ (loss) for the year	-	-	-	-	-	-	-	46,010	9,730	55,740
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	5,222	-	-	5,222
Total comprehensive income for the year	-	-	-	-	-	-	5,222	46,010	9,730	60,962
Disposal of partial interest in a subsidiary without losing control	-	-	30,005	-	-	-	-	-	7,495	37,500
Transfer to statutory reserve	-	-	-	-	-	8,933	-	(8,933)	-	-
Capital reorganisation (note)	(127,627)	127,627	-	-	-	-	-	-	-	-
At 30 June 2020 (Unaudited)	6,255	430,212	31,547	20,720	10,293	106,147	14,492	148,346	246,201	1,014,213

* These reserve accounts comprise the consolidated reserves of approximately RMB761,757,000 (2019: RMB552,893,000) in the consolidated statement of financial position.

Company	Share capital RMB'000	Share premium** RMB'000	Contributed surplus** RMB'000	Translation reserve** RMB'000	Accumulated losses** RMB'000	Total RMB'000
At 1 July 2018 (Audited)	133,882	304,474	35,064	-	(11,822)	461,598
Loss for the year and total comprehensive income for the year	-	-	-	-	(3,423)	(3,423)
At 30 June 2019 (Audited)	133,882	304,474	35,064	-	(15,245)	458,175
At 1 July 2019 (Audited)	133,882	304,474	35,064	-	(15,245)	458,175
Loss for the year and total comprehensive income for the year	-	-	-	-	(2,201)	(2,201)
Exchange differences on translation of financial statements of foreign operations	-	-	-	2,334	-	2,334
Capital reorganisation (note)	(127,627)	-	127,627	-	-	-
At 30 June 2020 (Unaudited)	6,255	304,474	162,691	2,334	(17,446)	458,308

** These reserve accounts comprise the Company's reserves of approximately RMB452,053,000 (2019: RMB324,293,000) in the statement of financial position of the Company.

Note

On 29 October 2019, the issued and paid-up share capital of the Company was reduced (the "Capital Reduction") from HK\$138,800,000 divided into 69,400,000 Shares with a par value of HK\$2.00 each, to HK\$6,940,000 divided into 69,400,000 Shares with a par value of HK\$0.10 each. The credit arising from the Capital Reduction in the sum of HK\$131,860,000 (equivalent to approximately RM127,627,000) was credited to the contributed surplus of the Company.

1(d)(ii)Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is as at the end of the current financial period reported on and as at the end of the immediately preceding financial year.

There were no subsidiary holdings and treasury shares and the Company does not have any share that may be issued on conversion of any outstanding convertibles as at 30 June 2020 and as at 30 June 2019.

1(d)(iii)To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Total number of issued shares	69,400,000	69,400,000	69,400,000	69,400,000
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	69,400,000	69,400,000	69,400,000	69,400,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 30 June 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 30 June 2019, except for the adoption for the new and amended International Financial Reporting Standards (IFRSs) which become effective on 1 July 2019.

The Group has adopted the IFRS 16 Leases effective for the financial period beginning 1 July 2019.

In particular, the Group is required to adopt IFRS 16 Leases from 1 January 2019. The Group has assessed the impact that initial application of IFRS 16 will have on its consolidated financial statements.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

For leases which the Group is a lessee, the Group is required to recognise new assets and liabilities for its portfolio of operating leases. The nature of expenses related to those leases has changed because the Group will recognise a depreciation charge for ROU assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the leases, and recognised assets and liabilities only to the extent that there was a

timing difference between actual lease payments and the expense recognised. The Adoption of IFRS 16 does not have significant impact to the financial statements of the Group for the current and comparative financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended	
	30/06/2020	30/06/2019
Profits/ (Losses) per ordinary share		
(a) Basic (RMB dollar)	0.66	1.27
(b) Fully diluted (RMB dollar)	N/A	N/A

Notes:

The calculation of basic profits per ordinary share is based on the profit for the year attributable to owner of the Company of approximately RMB46,010,000 (FY2019: RMB87,938,000) and the ordinary shares of 69,400,000 (FY2019: ordinary shares of 69,400,000) in issue during the year.

Diluted earnings per ordinary share for the year ended 30 June 2020 and 30 June 2019 was not presented as there was no potential dilution of the Group's ordinary share capital.

7. 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 at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net asset value per ordinary share based on issued share capital at the end of the year (RMB dollars)	11.07	9.90	6.60	6.60

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review of performance

Revenue

The Group's revenue for the year ended 30 June 2020 ("FY2020") was RMB577.1 million compared to RMB1,943.7 million in FY2019, a decrease of RMB1,366.6 million.

The significant decrease in revenue was mainly due to the decrease in the number of residential units handed over in FY2020. In FY2019, there were 1,050 and 1,927 residential units of Shan Qing Shui Xiu and Hou De Zai Wu being handed over, respectively, while the Group only handed over 43 and 544 units of Shan Qing Shui Xiu and Hou De Zai Wu to buyers in FY2020.

Cost of sales

The Group recorded cost of sales of RMB365.0 million for FY2020 which was RMB1,273.6 million lower compared to RMB1,638.6 million in FY2019. The decrease in cost of sales by 77.7% was in tandem with the decrease in revenue.

Gross profit

The Group recorded a gross profit of RMB212.1 million for FY2020 which was RMB93.0 million lower compared to RMB305.1 million in FY2019. The increase in gross profit margin from 16% in FY2019 to 37% in FY2020 was mainly due to the increase in the selling price for Hou De Zai Wu during the year. Further, other than the 544 residential units handed over during FY2020, the Group had also handed over a total of 11 commercial units and 83 car park of Hou De Zai Wu which had a higher gross profit margin.

Other income and gains

The Group recorded other income and gains of RMB58.0 million for FY2020 which was RMB11.5 million lower compared to RMB69.5 million in FY2019. The decrease was mainly due to :

- 1) a decrease in both the admission ticket sales and in-park recreation income of Batai Mountain National Park of RMB14.6 million (FY2019: RMB21.1 million) for the year. The decrease in tourism income was mainly due to the decrease in visitors as a result of travel restrictions imposed by the Chinese government during the first half of 2020.
- 2) a decrease in interest income derived from the loan made to Guangzhou Jiadi Xindu Development Co., Ltd. Interest income decreased from RMB 26.0 million in 2019 to RMB 18.3 million in 2020 mainly due to repayment of loan principal during the year.

Fair value adjustments on investment properties

The Group recorded a loss of RMB17.8 million arising from fair value adjustments on the Group's investment properties in FY2020 compared to a gain of RMB0.6 million in FY2019 based on the valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited dated 28 August 2020. The decrease in fair value of investment properties are due to the impact of the Covid-19 situation and the dampened economic and operating environment in China. It is expected that tenant will ask for reduction on rent or an early termination of tenancy agreement, hence both the rental income and occupancy rate are expected to have negative impact.

Selling expenses

The Group recorded selling expenses of RMB10.6 million for FY2020 which was RMB30.4 million lower compared to RMB41.0 million in FY2019. The decrease was mainly due to 1) closure of the sales centers in Guangdong and Tonghua due to the Covid-19 situation and these centers were only re-opened in late February 2020, hence lower operating expenses for sales centers; 2) lower marketing cost as more resources were diverted to online advertising.

Administrative expenses

The Group recorded administrative expenses of RMB 61.1 million for FY2020 which were RMB38.2 million lower compared to RMB99.3 million in FY2019. The decrease was mainly due to a one-off compensation amounting to RMB 27.7 million paid to the buyers of Ming Yue Shui An and Shan Qing Shui Xiu in FY2019 and no such expenses incurred in FY2020.

Further, the Group has implemented costs control on administrative expenses such as staff cost and travelling expenses.

Other operating expenses

The Group recorded other operating expenses of RMB 37.6 million for FY2020 which were RMB8.8 million lower compared to RMB46.4 million in FY2019. The expenses mainly comprised:

- (i) direct expenses such as staff cost, repair and maintenance, amounting to RMB12.3 million (FY2019: RMB15.7 million) in relation to the operation of Batai Mountain National Park;
- (ii) an impairment loss of account, loan and other receivables amounting to RMB 17.5 million (FY2019: RMB 23.1 million). The Group has recognised an impairment loss based on results of the Expected Credit Loss model. The decrease in impairment loss was mainly due to lesser impairment on loan receivables as a result of the repayment of loan receivables.

Finance costs

In FY2020, the Group recorded total finance cost of RMB85.4 million (FY2019: RMB75.3 million) in which RMB68.8 million (FY2019: RMB72.7 million) was capitalised in property development projects and RMB16.6 million (FY2019: RMB2.6 million) was used in other operating purpose. Total finance cost was RMB10.1 million higher compared to FY2019. The increase was mainly due to the higher interest rate for renewed loans compared to FY2019.

Finance cost used in other operating purpose for FY2020 was RMB14.0 million higher compared to RMB2.6 million in FY2019. The increase in interest expenses was mainly attributable to the other borrowings which were used for working capital purposes during the year. The renewed loans were used in potential projects such as Huadu land redevelopment projects and other operating purpose, hence lower interest expenses were capitalized under the existing projects.

Income tax expense

The breakdown of income tax expense is as follows:

	FY2020 RMB'000	FY2019 RMB'000
Current income tax - PRC		
- Enterprise income tax	58,930	67,339
- Land appreciation tax	20,737	20,992
	<u>79,667</u>	<u>88,331</u>
Deferred tax - PRC	(9,084)	6,948
Total income tax expense	<u><u>70,583</u></u>	<u><u>95,279</u></u>

The Group recorded an income tax expense of RMB70.6 million for FY2020 which was RMB24.7 million lower compared to RMB95.3 million in FY2019. The amount mainly represented the provision of PRC enterprise income tax ("EIT") of RMB58.9 million, land appreciation tax ("LAT") of RMB20.7 million and deferred tax credit of RMB9.1 million provided for the year.

The decrease in provision of PRC EIT from last year was due to the decrease in assessable profits during the year. The provision of LAT for FY2020 was mainly due to the significant appreciation of the properties in Hou De Zai Wu and Shan Qing Shui Xiu.

The deferred tax credit was due to the temporary difference of land appreciation and tax payable.

Profit for the year

Profit before tax in FY2020 was RMB126.3 million, a decrease of RMB59.6 from RMB185.9 million in FY2019. The Group recorded a net profit of RMB55.7 million compared to RMB90.6 million in FY2019. This was mainly due to the reasons above.

Cash flows analysis

For FY2020, the Group recorded RMB67.1 million of cash inflow from operating activities which was mainly attributable to the decrease in properties held for sale.

Net cash inflow from investing activities in FY2020 of RMB83.5 million was mainly due to repayment of loan receivable of RMB72.5 million.

Net cash outflow from financing activities in FY2020 of RMB190.4 million was mainly due to the repayments of bank and other borrowings and payment of interest.

As a result, the Group has a cash and cash equivalent of RMB80.5 million.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Consolidated Financial Position as at 30 June 2020

Non-current assets

As at 30 June 2020, the Group had non-current assets of RMB850.3 million, representing an decrease of RMB56.3 million compared to RMB906.6 million as at 30 June 2019. The increase was mainly attributable to :

- (i) reclassify of long-term portion of loan made to Jiadi Xindu of RMB40.1 million to current assets;
- (ii) a decrease in investment properties of RMB17.8 million due to an fair value adjustment;

Current assets

As at 30 June 2020, the Group's current assets stood at RMB2,366.0 million, representing an decrease of RMB219.4 million compared to RMB2,585.4 million as at 30 June 2019. The decrease was mainly attributable to the decrease in and properties held for sales by RM108.2 million and loan receivables of RMB30.8 million. Further, prepayments, deposits paid and other receivables decreased by RMB79.2 million. The decrease was mainly due to 1) RMB17.2 million provision for impairment; and 2) settlement of construction cost and deposit paid to subcontractor.

The loan receivables which amounting to RMB 76.5 million (2019: RMB109.3 million) comprised loans made to Kaiping Qingshi Auto Parts Co., Limited and Jiadi Xindu which are repayable within 12 months and accrued interest receivable.

Current liabilities

As at 30 June 2020, the Group's current liabilities stood at RMB1,493.3 million, representing a decrease of RMB583.2 million, compared to RMB2,076.5 million as at 30 June 2019.

The decrease in current liabilities was mainly due to the net effect of (i) an decrease in accounts payable by RMB92.9 million due to the Group's subcontractors and suppliers; (ii) an

decrease in receipts in advance by RMB13.9 million due to handed over of pre-sale units of Shan Qing Shu Xiu and Hou De Zai Wu; (iii) decrease in accruals, deposits received and other payables which included the accruals of construction cost and refundable deposits received from potential customers before entering sales and purchase agreements with the Group; and (iv) decrease of interest-bearing bank and other borrowings by RMB318.5 million due to repayment during the year.

Non-current liabilities

As at 30 June 2020, the Group's non-current liabilities stood at RMB708.9 million, representing a increase of RMB209.1 million, compared to RMB499.8 million as at 30 June 2019. This was mainly due to addition of long-term interest-bearing bank and other borrowings classified during the year.

Total equity

As at 30 June 2020, the equity attributable to owners of the Company increased by RMB 81.2 million from RMB 686.8 million as at 30 June 2019 to RMB768.0 million as at 30 June 2020. The increase in equity attributable to owners of the Company was mainly due to the net profit during the year.

In FY2020, the Group disposed 25% equity interests in its 82% owned subsidiary, Wanyuan Yuanbang Resort Development Co., Ltd. ("Wanyuan Yuanbang"), to an independent third party for a consideration of RMB37.5 million. The Group's equity interests in Wanyuan Yuanbang was reduced from 82% to 57%. The disposal of equity interests do not result in a loss of control over the subsidiary. A gain on disposal of RMB30.0 million was recognised in equity as capital reserve and an increase of RMB7.5 million was recognized in the non-controlling interest.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with the Company's announcement on "Update of Impact of Covid-19 on the Group's operations" released to SGX via SGXNet on 14 May 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic has caused a significant impact to the property market and economic activities in the first half of 2020 in the People's Republic of China ("PRC"). Despite the gradual efforts by the Chinese government in lifting its shutdown measures in most of the PRC cities, the property market has remained relatively lukewarm. According to the data released by National Bureau of Statistics of China released on 16 July 2020, the price index of new residential buildings in the 70 large and medium-sized cities in China rose marginally by 0.6% in June in month-on-month terms. As Management expects the property market in the PRC to remain soft in the next financial year, the Group will remain cautious and exercise prudence in cost control to mitigate against any possible headwinds.

Details of the occupancy and take-up rates of the Group's major existing projects which had obtained pre-sale certificates as at 30 June 2020 are as follows:

	Shan Qing Shui Xiu (山清水秀)	Ming Yue Jin An (明月金岸)	Ming Yue Shui An (明月水岸)	Hou De Zai Wu (厚德载物)
Total units available for sales	2,686	713	1,419	5,650
Total units handed over to buyers as of 30 June 2020	1,468	495	956	4,086
Percentage of handed over	55%	69%	67%	72%
Pre-sale units not handed over to buyers as at 30 June 2020				
- Residential unit	210	1	5	145
- Carpark unit	16	1	-	20
- Commercial unit	N/A	N/A	-	13
Pre-sale value received not handed over to buyers as at 30 June 2020	RMB220.6 million	RMB2.1 million	RMB0.1 million	RMB307.7 million

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the full year results ended 30 June 2020 as the Group wishes to conserve its cash for operational purpose.

PART II -ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Properties development is the only business segment of the Group. No geographical segment analysis was presented as the Group's revenue was derived in the PRC. Accordingly, no separate business and geographical segment information was prepared.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 15. A breakdown of sales.**

Not applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

- 17. General mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii)**

The Company does not have any IPT mandate.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Lin Yeju	51	Spouse of Mr Chen Jianfeng, Substantial Shareholder.	<p>Non-Executive Director and Chairman of the Board - 2015</p> <p>Executive Director of Nanchang Changhao Real Estate Consultancy Co. Ltd. ("Nanchang Changhao"), a wholly-owned subsidiary of the Group -2008. Nanchang Changhao had been de-registered in September 2019.</p>	Nil
Chen Jianfeng	57	Spouse of Mdm Lin Yeju, Director and Substantial shareholder	<p>Director and Legal Representative of Guangdong Yuanbang Real Estate Development Co Ltd ("GDYB"), a wholly-owned subsidiary of the Group – 2020</p> <p>*GDYB is considered a principal subsidiary of the Group</p>	Nil

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all the directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Lin Yeju
Non-Executive Chairman

28 August 2020