



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

2ND QUARTER AND HALF-YEARLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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 period ended 31 December 2017. These figures have not been audited.

	Group 3 months ended			Group 6 months ended		
	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited	% Changes	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited	% Changes
Revenue	154,216	144,503	6.7	258,794	182,009	42.2
Cost of sales	(128,409)	(96,005)	33.8	(210,721)	(126,259)	66.9
Gross profit	25,807	48,498	(46.8)	48,073	55,750	(13.8)
Other income and gains	8,960	9,842	(9.0)	18,785	16,008	17.3
Selling expenses	(11,495)	(4,767)	141.1	(26,151)	(9,645)	171.1
Administrative expenses	(33,115)	(29,111)	13.8	(48,097)	(43,821)	9.8
Other operating expenses	(3,531)	(4,408)	(19.9)	(7,208)	(6,329)	13.9
(Loss)/profit before income tax	(13,374)	20,054	(166.7)	(14,598)	11,963	(222.0)
Income tax expense	(1,156)	(3,618)	(68.0)	(2,975)	(4,087)	(27.2)
(Loss)/profit for the period	(14,530)	16,436	(188.4)	(17,573)	7,876	(323.1)
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, net of tax	189	80	136.3	126	191	(34.0)
Total comprehensive income for the period	(14,341)	16,516	(186.8)	(17,447)	8,067	(316.3)
(Loss)/profit attributable to:						
Owners of the Company	(19,537)	9,592	(303.7)	(30,545)	1,038	(3,043)
Non-controlling interests	5,007	6,844	(26.8)	12,972	6,838	89.7
	(14,530)	16,436	(188.4)	(17,573)	7,876	(323.1)
Total comprehensive income attributable to:						
Owners of the Company	(19,348)	9,672	(300.0)	(30,419)	1,229	(2,575)
Non-controlling interests	5,007	6,844	(26.8)	12,972	6,838	89.7
	(14,341)	16,516	(186.8)	(17,447)	8,067	(316.3)

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	
	31/12/2017 RMB'000 Unaudited	30/06/2017 RMB'000 Audited	31/12/2017 RMB'000 Unaudited	30/06/2017 RMB'000 Audited
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	134,381	134,381
Property, plant and equipment	103,733	104,722	-	-
Investment properties	589,200	589,200	-	-
Land use rights	10,237	10,381	-	-
Deferred tax assets	49,738	49,738	-	-
	752,908	754,041	134,381	134,381
Current assets				
Properties held under development	1,622,933	1,329,810	-	-
Properties held for sale	1,767,305	1,949,859	-	-
Accounts receivable	32,730	32,802	-	-
Prepayments, deposits paid and other receivables	749,512	765,384	1,447	1,447
Due from subsidiaries	-	-	335,680	336,550
Cash and bank balances	219,508	523,431	-	-
Total current assets	4,391,988	4,601,286	337,127	337,997
Current liabilities				
Account payables	451,717	537,572	-	-
Receipts in advance	1,571,974	1,154,969	-	-
Accruals, deposits received and other payables	1,162,818	1,185,537	9,358	8,844
Interest-bearing bank and other borrowings	209,696	524,193	-	-
Income tax payable	206,065	189,453	-	-
Total current liabilities	3,602,270	3,591,724	9,358	8,844
Net current assets	789,718	1,009,562	327,769	329,153
Total assets less current liabilities	1,542,626	1,763,603	462,150	463,534
Non-current liabilities				
Interest-bearing bank and other borrowings	457,202	660,732	-	-
Deferred tax liabilities	138,749	138,749	-	-
	595,951	799,481	-	-
Net assets	946,675	964,122	462,150	463,534
EQUITY				
Equity attributable to owners of the Company				
Share capital	133,882	133,882	133,882	133,882
Reserves	502,557	532,976	328,268	329,652
	636,439	666,858	462,150	463,534
Non-controlling interests	310,236	297,264	-	-
Total equity	946,675	964,122	462,150	463,534

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

As at 31/12/2017		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
181,696	28,000	504,193	20,000

Amount repayable after one year

As at 31/12/2017		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
432,996	24,206	636,526	24,206

Details of any collateral

As at 31 December 2017, the Group's interest-bearing bank and other borrowings of RMB614.7 million were secured by the pledge of certain properties held under development, properties held for sale, investment properties and bank deposits of the Group.

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 3 months ended		Group 6 months ended	
	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited
Cash flows from operating activities				
(Loss)/profit before income tax	(14,530)	20,054	(17,573)	11,963
Adjustments for:				
Interest income	(143)	(172)	(813)	(302)
Amortisation of land use rights	72	91	144	180
Depreciation of property, plant and equipment	2,420	2,979	4,828	5,279
Operating profit before working capital changes	(12,181)	22,952	(13,414)	17,120
Increase in properties held under development	(168,543)	(131,143)	(280,832)	(144,427)
Decrease/(increase) in properties held for sale	99,370	(63,330)	182,554	(53,741)
Decrease in accounts receivables	8	-	72	6,377
Decrease in prepayments, deposits paid and other receivables	7,430	30,485	15,872	16
(Decrease)/increase in accounts payables	(26,782)	137,811	(85,855)	(53,678)
Increase/(decrease) in receipts in advance	187,973	(4,775)	417,005	218,587
Increase/(decrease) in accruals, deposits received and other payables	18,857	145,423	(22,719)	386,991
Cash generated from operations	106,132	137,423	212,683	377,245
Income taxes refund/(paid)	14,673	1,799	16,612	(7,774)
Interest received	143	172	813	302
<i>Net cash generated from operating activities</i>	120,948	139,394	230,108	369,773
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,635)	(4,540)	(3,839)	(10,454)
<i>Net cash used in investing activities</i>	(1,635)	(4,540)	(3,839)	(10,454)
Cash flows from financing activities				
Proceeds from bank and other borrowings	51,000	32,096	79,840	239,725
Repayments of bank and other borrowings	(190,999)	(184,560)	(597,867)	(554,076)
Interest paid	(2,939)	(26,853)	(12,291)	(68,684)
<i>Net cash used in financing activities</i>	(142,938)	(179,317)	(530,318)	(383,035)
Net decrease in cash and cash equivalents	(23,625)	(44,463)	(304,049)	(23,716)
Effect on exchange translation	189	80	126	191
Cash and cash equivalents at beginning of period	128,203	219,210	408,690	198,352
Cash and cash equivalents at end of period	104,767	174,827	104,767	174,827

Note:

	Group 3 months ended		Group 6 months ended	
	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited	31/12/2017 RMB'000 Unaudited	31/12/2016 RMB'000 Unaudited
Cash and bank balances	219,508	303,643	219,508	303,643
Less: Restricted bank balances	(114,741)	(128,816)	(114,741)	(128,816)
Cash and cash equivalents for the purpose of statement of cash flows	104,767	174,827	104,767	174,827

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	Merger reserve* RMB'000	Revaluation reserve* RMB'000	Statutory reserve* RMB'000	Translation reserve* RMB'000	Retained earnings* RMB'000	Non-controlling Interests RMB'000	Total RMB'000
At 30 June 2016 and 1 July 2016 (Audited)	133,882	302,585	20,720	10,293	93,892	3,138	130,820	296,674	992,004
Profit for the period	-	-	-	-	-	-	1,038	6,838	7,876
Other comprehensive Income									
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	191	-	-	191
Total comprehensive income for the period	-	-	-	-	-	191	1,038	6,838	8,067
At 31 December 2016 (Unaudited)	133,882	302,585	20,720	10,293	93,892	3,329	131,858	303,512	1,000,071
At 30 June 2017 and 1 July 2017 (Audited)	133,882	302,585	20,720	10,293	93,892	2,399	103,087	297,264	964,122
Profit for the period	-	-	-	-	-	-	(30,545)	12,972	(17,573)
Other comprehensive Income									
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	126	-	-	126
Total comprehensive income for the period	-	-	-	-	-	126	(30,545)	12,972	(17,447)
At 31 December 2017 (Unaudited)	133,882	302,585	20,720	10,293	93,892	2,525	72,542	310,236	946,675

* These reserve accounts comprise the consolidated reserves of approximately RMB502,557,000 (2QFY2017: RMB562,677,000) in the Group's statement of financial position.

Company	Share capital	Share premium**	Contributed surplus**	Accumulated losses**	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 30 June 2016 and 1 July 2016 (Audited)	133,882	304,474	35,064	(5,570)	467,850
Loss for the period and total comprehensive income for the period	-	-	-	(1,762)	(1,762)
At 31 December 2016 (Unaudited)	133,882	304,474	35,064	(7,332)	466,088
At 30 June 2017 and 1 July 2017 (Audited)	133,882	304,474	35,064	(9,886)	463,534
Loss for the period and total comprehensive income for the period	-	-	-	(1,384)	(1,384)
At 31 December 2017 (Unaudited)	133,882	304,474	35,064	(11,270)	462,150

** These reserve accounts comprise the Company's reserves of approximately RMB328,268,000 (2QFY2017: RMB332,206,000) in the Company's statement of financial position.

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 corresponding period 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 listed as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding year.

There were no shares held as treasury shares and the Company does not have any share that may be issued on conversion of any outstanding convertibles as at 31 December 2017.

There were no subsidiary holdings as at 31 December 2017.

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 year.

	Group		Company	
	31/12/2017	30/06/2017	31/12/2017	30/06/2017
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, disposal, 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.

Not applicable

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.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 30 June 2017.

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 new and revised International Financial Reporting Standards (IFRSs) which are relevant to and effective for the Group's Financial Statements for the financial periods beginning on 1 July 2017. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

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		Group	
	3 months ended		6 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Unaudited	Unaudited	Unaudited	Unaudited
(Losses)/earnings per ordinary share				
(a) Basic (RMB dollars)	(0.28)	0.14	(0.44)	0.01
(b) Fully diluted (RMB dollars)	N/A	N/A	N/A	N/A

Note:

The calculation of basic (losses)/earnings per ordinary share is based on the loss for the three months ended 31 December 2017 ("2QFY2018") and six months ended 31 December 2017 ("1HFY2018") attributable to owner of the Company of approximately RMB19,573,000 and RMB30,545,000, respectively (2QFY2017: profit of RMB9,592,000 and 1HFY2017: RMB1,038,000) and on weighted average number of shares of 69,400,000 (2QFY2017 and 1HFY2017: 69,400,000) ordinary shares in issue during the said periods.

Diluted earnings per share for the periods ended 31 December 2017 and 2016 was not presented as there was no potential dilution of the Company'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	
	31/12/2017	30/06/2017	31/12/2017	30/06/2017
Net asset value per ordinary share based on issued share capital at the end of the period: (RMB dollars)	9.17	9.61	6.66	6.68

Notes:

Net asset value per ordinary share was calculated based on:

- the equity attributable to owners of the Group/ Company at 31 December 2017 and 30 June 2017; and
 - the issued ordinary shares at 31 December 2017 and 30 June 2017 of 69,400,000 ordinary shares.
- 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 2QFY2018 and 1HFY2018 was mainly contributed by the sale of units of Shan Qing Shui Xiu (山清水秀) in Guangzhou City, Phase II of Aqua Lake Grand City (绿湖豪城) in Nanchang City ("Aqua Lake Project") and Hou De Zai Wu (厚德载物) in Tonghua City ("Tonghua Project").

The Group recorded a revenue of RMB154.2 million in 2QFY2018, which was RMB9.7 million higher compared to RMB144.5 million in 2QFY2017. The Group recorded a revenue of RMB258.8 million in 1HFY2018, which was RMB76.8 million higher compared to RMB182.0 million in 1HFY2017.

The increase in revenue was attributed to the Group accelerating its efforts in handing over the residential units of its Tonghua project (2QFY2018: 84 units; 2QFY2017: 61 units; 1HFY2018: 291 units; 1HFY2017: 115 units).

Cost of sales

The Group's cost of sales in 2QFY2018 amounted to RMB128.4 million which was RMB32.4 million higher compared to RMB96.0 in 2QFY2017. The Group's cost of sales in 1HFY2018 amounted to RMB210.7 million which was RMB84.5 million higher compared to RMB126.2 million in 1HFY2017.

The increase in cost of sales for 2QFY2018 and 1HFY2018 was mainly because of (i) higher direct labour and material costs for Tonghua Project in 1HFY2018 compared to 1HFY2017; and (ii) an additional accrued construction cost of approximately RMB7.5 million incurred for Ming Yue Jin An. The latter arose after reconciliation with the Group's subcontractors in 2QFY2018 as the project is drawing near to its completion stage.

Gross profit

The Group's gross profit in 2QFY2018 amounted to RMB25.8 million, which was RMB22.7 million lower compared to RMB48.5 million in 2QFY2017. The Group's gross profit in 1HFY2018 amounted to RMB48.1 million, which was RMB7.7 million lower compared to RMB55.8 million in 1HFY2017.

The decrease in gross profit was mainly because of (i) a slight decrease in gross margin for the Tonghua Project from 20% in 1QFY2017 to 18% in 2QFY2018 due to increased direct labour and material costs; (ii) an additional accrued construction cost as mentioned above; and (iii) the absence of car park lots sales in 2QFY2018 and 1HFY2018.

Other income and gains

For 2QFY2018, the Group recorded other income and gains of RMB8.9 million, which was RMB0.9 million lower compared to RMB9.8 million in 2QFY2017. For 1HFY2018, the Group recorded other income and gains of RMB18.8 million, which was RMB2.8 million higher compared to RMB16.0 million in 1HFY2017.

For 1HFY2018, the increase was the net effect of (i) the increased leased out ratios which contributed to the increase in rental income amounted to RMB8.0 million in 1HFY2018 compared to RMB5.7 million in 1HFY2017 and (ii) the decreased ticket sales income of Batai Mountain National Park of RMB6.6 million (1HFY2017: RMB8.4 million) due to *temporary halting of its operation during this period.

**please refer to the announcements released via SGXNet on 29 August 2017 and 20 September 2017.*

Selling expenses

The Group recorded selling expenses of RMB11.5 million in 2QFY2018, which was RMB6.7 million higher compared to RMB4.8 million in 2QFY2017. For 1HFY2018, the Group recorded selling expenses of RMB26.2 million, which were RMB16.5 million higher compared to RMB9.6 million in 1HFY2017.

The increase in selling expenses was mainly attributable to the sales commission to the sales agents due to the increased commission rate (from 2% to 7%) in order to incentivize them in accelerating the pre-sale of the Group's residential projects in Guangzhou City.

Administrative expenses

The Group recorded administrative expenses of RMB33.1 million in 2QFY2018, which were RMB4.0 million higher compared to RMB29.1 million in 2QFY2017. For 1HFY2018, the Group recorded administrative expenses of RMB48.1 million, which were RMB4.3 million higher compared to RMB43.8 million in 1HFY2017.

The increase was mainly due to an increase in other taxes including urban construction tax and duties charged by the local government. (2QFY2018: RMB2.8 million, 1QFY2017: RMB0.8 million; 1HFY2018: RMB5.2 million, 1HFY2017: RMB1.0 million).

Other operating expenses

The amount mainly represented the direct expenses such as staff cost, repair and maintenance and others. The Group recorded other operating expenses of RMB3.5 million in 2QFY2018, which was RMB0.9 million lower compared to RMB4.4 million in 2QFY2017.

The Group recorded other operating expenses of RMB7.2 million in 1HFY2018, which was RMB0.9 million higher compared to RMB6.3 million in 1HFY2017. The increase was mainly attributable to the cost of rectification works incurred for Batai Mountain National Park project during the temporary halt of its operation during the period.

Income tax expense

The Group recorded income tax expense of RMB1.2 million in 2QFY2018, which was RMB2.4 million lower compared to RMB3.6 million in 2QFY2017. The Group recorded income tax expense of RMB3.0 million in 1HFY2018, which was RMB1.1 million lower compared to RMB4.1 million in 1HFY2017. The amount mainly represented the provision of land appreciation tax during the period. There was no enterprise income tax expense for the period as the Group recorded a loss before tax. Accordingly, income tax expense was also reduced.

Loss for the period

The Group recorded a loss of RMB14.5 million for 2QFY2018, compared to a profit of RMB16.4 million in 2QFY2017. The Group recorded a loss of RMB17.6 million for 1HFY2018, compared to a profit of RMB7.8 million in 1HFY2017.

(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 Group Financial Position as at 31 December 2017

Current assets

As at 31 December 2017, the Group's current assets stood at RMB4,391.9 million, representing a decrease of RMB209.3 million compared to RMB4,601.2 million as at 30 June 2017.

The changes were mainly attributable to an increase in properties held under development by RMB293.1 million and a decrease in property held for sales by RMB182.5 million. The increase in properties held under development was attributable to the startup of the construction of Phase II of Tonghua Project and Phase III of Shan Qing Shui Xiu while a decrease in properties held for sales was due to the recognition of cost of sales during the period.

The decrease in cash and bank balances by RMB303.9 million was mainly the net effect of (i) repayment of bank borrowings amounted to RMB597.8 million; and (ii) increase in receipt in advance from buyers of RMB417 million.

The breakdown of “Prepayments, deposits and other receivables” under the Group’s current assets is as follows:

		As at 31 December 2017 RMB’000	As at 30 June 2017 RMB’000
Prepayments	(a)	118,151	131,613
Deposits paid	(b)	15,624	15,479
Other receivables, net of impairment	(c)	615,737	618,292
		749,512	765,384

- (a) Prepayments comprise substantially the advances made to the subcontractors for purchase of construction materials.
- (b) Deposits of approximately RMB15 million were paid in relation to a proposed development of certain land parcels in Conghua City, Guangdong Province.
- (c) Other receivables comprise substantially loans to subcontractors for projects construction. These loans are usually unsecured, interest-free and repayable on demand and/or to be set off against construction costs. In addition, other receivables of approximately RMB255.5 million are also due from companies related to the non-controlling equity owners of New Zhong Yuan (Nanchang) Real Estate Co. Ltd (“New Zhong Yuan”), a subsidiary of the Group. Saved for an amount of approximately RMB11.0 million which bears a fixed interest rate of 16.96% per annum and repayable on demand, the balances are interest-free, repayable on demand and secured by the equity interest in New Zhong Yuan that is currently held by the non-controlling equity owners.

Current liabilities

As at 31 December 2017, the Group’s current liabilities stood at RMB3,602.2 million, representing an increase of RMB10.5 million, compared to RMB3,591.7 million as at 30 June 2017.

The increase in balance was due mainly to the net effect of (i) decrease in accounts payable and due to payments made during the period; (ii) net decrease in interest-bearing bank and other borrowings of RMB314.5 million as a result of the repayment of loans, and (iii) increase in receipts in advance from presale of the units of Tonghua Project and Phase III of Shan Qing Shui Xiu during the period.

The breakdown of “Accruals, deposits received and other payables” under the Group’s current liabilities is as follows:

		As at 31 December 2017 RMB’000	As at 30 June 2017 RMB’000
Accruals	(a)	71,625	53,569
Refundable deposits made by property purchasers	(b)	737,296	778,071
Other payables	(c)	353,897	353,897
		1,162,818	1,185,537

- (a) Accruals comprise substantially accrued construction costs due to the subcontractors.
- (b) During the pre-sale of the three projects namely Shan Qing Shui Xiu, Ming Yue Shui An and Hou De Zai Wu, the Group received refundable deposits from potential buyers. Upon the execution of sales and purchase agreements with the buyers, the amount will be reclassified as "Receipts in advance". Should the potential buyers withdraw their purchase, the deposits will be fully refunded to them. As at 31 December 2017, the Group had received deposits amounted to approximately RMB737 million.
- (c) At 31 December 2017, other payables included:
- (i) an amount of approximately RMB70 million due to senior management and non-controlling equity owners of Tonghua Litong Real Estate Development Co., Ltd, a subsidiary of the Group. The balances are interest-free, unsecured and repayable on demand.
- (ii) an amount of approximately RMB23,895,000 representing the accruals made for the settlement of the legal actions against the Group. Details of the legal actions are set out on page 109 of Company's FY2017 Annual Report.
- (iii) an amount of approximately RMB34,000,000 representing the consideration received from an independent third party relating to the disposal of its 25% equity interest in Wanyuan Resort ("Disposal") in December 2015. The transaction has not yet completed as the transfer of land title has not been approved by the relevant authorities. Details of the Disposal are set out in an announcement of the Company dated 28 December 2015.
- (iv) an amount of approximately RMB87 million representing the deposits received from the local government of Tonghua City for the construction of properties earmarked for residents who were affected by the relocation when the Group acquired the land for the construction of Hou De Zai Wu; and
- (v) the remaining balances comprises other tax payables, including value added taxes payables of RMB11.8 million, and short-term working capital borrowings from two subcontractors of approximately RMB67 million.

Non-current liabilities

As at 31 December 2017, the Group's non-current liabilities stood at RMB596.0 million, representing a decrease of RMB203.5 million, compared to RMB799.5 million as at 30 June 2017. The decrease in balance was due to (i) net repayment of interest-bearing bank and other borrowings amounted to RMB146.5 million, and (ii) an amount of RMB57.0 million bank and other borrowings was reclassified under current liabilities as its maturity will be due in one year.

Total equity

As at 31 December 2017, the Group's equity stood at RMB946.7 million, representing a decrease of RMB17.4 million, compared to RMB964.1 million as at 30 June 2017. This was due mainly to the loss for the period under review.

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 profit warning announcement released by the Company on 7 February 2018 via SGXNet.

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 Chinese Government is constantly fine-tuning its policies for the property market which the Group will monitor closely and will continue to implement formulated strategies to mitigate against any possible headwinds.

The Group will continue its property development in Guangzhou and at the same time, expedite its efforts to sell the inventory of projects in the second-tier cities. The Group will accelerate to handover the presold units to the buyers in the coming quarters. Meanwhile, the Group will also co-operate with other properties developers on new projects in Guangzhou.

The continuing high labour and raw material costs, possible increase in sales commission to sales agents to sell the Group's projects inventory would affect the financial performance of the Company for the current financial year. Nonetheless, Management will monitor costs control where appropriate.

Details of the occupancy and take-up rates of the Group's major existing projects which had obtained pre-sale certificates as at 31 December 2017 are as follows:

	Shan Qing Shui Xiu (山清水秀)	Aqua Lake Grand City (Phase II) (绿湖豪城)	Ming Yue Xing Hui (明月星辉)	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 residential units of sales	1,791	1,005	431	404	605	2,035
Total units handed over to buyers as of 31 December 2017	352	989	431	402	350	963
Percentage of handed over	20%	98%	100%	99%	58%	47%
Pre-sale units not handed over to buyers as at 31 December 2017						
- Residential units	790	12	-	1	223	570
- Carpark	-	-	13	3	-	1
Pre-sale value of units not handed over to buyers as at 31 December 2017	RMB505.9 million	RMB70.2 million	RMB7.1 million	RMB2.1 million	RMB434.7 million	RMB468.2 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

N/A

(d) Books closure date

N/A

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

No dividend has been declared or recommended for the second quarter results ended 31 December 2017.

13. Confirmation By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of China Yuanbang Property Holdings Limited which may render the financial statements for 2QFY2018 and 1HFY2018 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
China Yuanbang Property Holdings Limited

Lin Yeju
Non-Executive Chairman

Zhou Jiangtao
Director

14. 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 an IPT mandate.

15. 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 offices under Rule 720(1).

BY ORDER OF THE BOARD

Lin Yeju
Non-Executive Chairman

12 February 2018