



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

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2023

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed interim consolidated statement of profit or loss and other comprehensive income

	Notes	Group		
		6 months ended		
		31/12/2023	31/12/2022	%
		RMB'000	RMB'000	Changes
		Unaudited	Unaudited	
Revenue	3	131,055	199,281	34
Cost of sales		(156,440)	(128,264)	22
Gross (loss)/profit		(25,385)	71,017	(136)
Other income and gains		4,129	16,198	(75)
Selling expenses		(3,883)	(6,061)	(36)
Administrative expenses		(29,696)	(26,270)	13
Other operating expenses		(76)	(6,334)	(99)
Operating (loss)/profit		(54,911)	48,550	(213)
Finance costs		(4,254)	(2,584)	(65)
(Loss)/profit before income tax	5	(59,165)	45,966	(229)
Income tax expense	6	(44,364)	(11,295)	293
(Loss)/profit for the period		(103,529)	34,671	(399)
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		(1,984)	1,980	(100)
Total comprehensive (expense)/income for the period		(101,545)	36,651	(382)
(Loss)/profit attributable to:				
Owners of the Company		(107,040)	42,390	(353)
Non-controlling interests		5,495	(7,719)	(171)
		(101,545)	34,671	(393)
Total comprehensive (expense)/income attributable to:				
Owners of the Company		(107,040)	44,370	(341)
Non-controlling interests		5,495	(7,719)	(171)
		(101,545)	36,651	(377)

1(b)(i) A statement of financial position of the Company and the Group, together with a comparative statement as at the end of the immediately preceding financial year.

Condensed interim statements of financial position

	Note	Group		Company	
		31/12/2023 RMB'000 Unaudited	30/6/2023 RMB'000 Audited	31/12/2023 RMB'000 Unaudited	30/6/2023 RMB'000 Audited
ASSETS AND LIABILITIES					
Non-current assets					
Interests in subsidiaries		-	-	134,381	134,381
Property, plant and equipment	7	89,299	94,488	-	-
Investment properties	8	510,820	510,820	-	-
Land use rights	9	8,366	8,658	-	-
Prepayment		115,528	111,228	-	-
Loan receivables	10	11,549	11,549	-	-
Deferred tax assets		68,704	68,704	-	-
		860,312	805,447	134,381	134,381
Current assets					
Properties held under development	11	355,415	343,991	-	-
Properties held for sale	12	1,064,529	1,115,476	-	-
Accounts receivable		27,702	27,225	-	-
Prepayments, deposits paid and other receivables		421,520	471,431	1,542	1,542
Due from customers for contract work		32,585	32,585	-	-
Loan receivable	10	37,061	37,061	-	-
Due from subsidiaries		-	-	335,419	335,419
Cash and bank balances		25,581	32,097	-	-
		1,964,393	2,059,866	333,037	336,961
Current liabilities					
Accounts payable		456,736	454,990	-	-
Contract liabilities		633,148	707,473	-	-
Accruals, deposits received and other payables		110,270	81,463	3,566	3,566
Interest-bearing bank and other borrowings	13	174,010	174,810	-	-
Income tax payable		361,964	309,464	-	-
		1,736,128	1,728,200	3,566	3,566
Net current assets		228,265	331,666	333,395	333,395
Total assets less current liabilities		1,032,531	1,137,113	467,776	467,776
Non-current liabilities					
Interest-bearing bank and other borrowings	13	333,978	339,228	-	-
Deferred tax liabilities		120,783	120,783	-	-
		454,761	460,011	-	-
Net assets		577,770	677,102	467,776	467,776
EQUITY					
Equity attributable to owners of the Company					
Share capital		6,255	6,255	6,255	6,255
Reserves		375,011	470,597	461,521	461,521
		381,266	476,852	467,776	467,776
Non-controlling interests		196,504	200,250	-	-
Total equity		577,770	677,102	467,776	467,776

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2023		As at 30/06/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
174,810	-	174,810	-

Amount repayable after one year

As at 31/12/2023		As at 30/06/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
333,988	28,876	310,352	28,876

Details of any collateral

As at 31 December 2023, the Group's interest-bearing borrowings from banks and other financial institutions of RMB 362.0 million (30 June 2023: RMB277.5 million) and other borrowings of RMB361.7 million (30 June 2023: RMB386.0 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 RMB335.4 million, RMB225.4 million, RMB0.9 million, RMB17.7million, RMB509.1 million, RMB390.2 million (30 June 2023: RMB201.2 million, RMB225.4 million, RMB1.2 million, RMB17.7million, RMB509.1 million, RMB393.7 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.

Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash flows from operating activities		
Profit before income tax	(59,165)	45,966
Adjustments for:		
Interest income		(5,112)
Interest expenses	4,254	2,584
Amortisation of land use rights	292	275
Depreciation of property, plant and equipment	7,689	3,782
Impairment loss on other receivables	(4,300)	-
Operating profit before working capital changes	(51,230)	47,495
Decrease in properties held under development	(11,424)	125,940
Increase in properties held for sale	50,947	(47,729)
Increase in accounts receivable	(477)	(2,998)
(Increase)/ decrease in prepayments, deposits paid and other receivables	49,911	(1,816)
Increase/ (decrease) in account payables	1,746	32,659
Decrease in contract liabilities	(74,325)	(77,779)
Increase in accruals, deposits received and other payables	28,807	392
Cash generated from operations	(6,045)	76,164
Income taxes paid	8,136	(4,532)
Interest received		783
<i>Net cash generated from operating activities</i>	2,091	72,415
Cash flows from an investing activity		
Purchases of properties, plant and equipment	(2,500)	(490)
<i>Net cash used in investing activity</i>	(2,500)	(490)
Cash flows from financing activities		
Proceeds from bank and other borrowings		-
Repayments of bank and other borrowings	(6,050)	(18,872)
Interest paid		(28,535)
<i>Net cash used in financing activities</i>	(6,050)	(47,407)
Net increase/ (decrease) in cash and cash equivalents	(6,459)	24,518
Effect on exchange translation		1,905
Cash and cash equivalents at beginning of period	27,910	18,896
Cash and cash equivalents at end of period	21,451	45,319

	Group	
	6 months ended	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash and bank balances	25,581	59,561
Less: Restricted bank deposits	(4,130)	(14,242)
Cash and cash equivalents for the purpose of statement of cash flows	21,451	45,319

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.

Condensed interim statements of changes in equity

Group	Share capital RMB'000	Share premium* RMB'000	Capital reserve* RMB'000	Merger reserve* RMB'000	Contributed Surplus* 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 2021 and 1 July 2022 (Audited)	6,255	302,585	31,547	20,720	127,627	10,293	109,253	19,287	67,964	223,398	920,170
(Loss)/profit for the period	-	-	-	-	-	-	-	-	42,390	(7,719)	34,671
Other comprehensive income											
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	1,980	-	-	1,980
Total comprehensive income for the period	-	-	-	-	-	-	-	1,980	42,390	(7,719)	36,651
At 31 December 2022 (Unaudited)	6,255	302,585	31,547	20,720	127,627	10,293	110,494	21,267	110,354	215,679	956,821
At 30 June 2023 and 1 July 2023 (Audited)	6,255	302,585	31,547	20,720	127,627	10,293	111,385	10,337	(143,897)	200,250	677,102
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	(107,040)	5,495	(101,545)
Other comprehensive income											
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(1,984)	-	-	(1,984)
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,984)	(107,040)	5,495	(103,529)
At 31 December 2023 (Unaudited)	6,255	302,585	31,547	20,720	127,627	10,293	110,494	8,353	(250,937)	205,745	573,573

* These reserve accounts comprise the consolidated reserves of approximately RMB734.9 million (31 December 2021: RMB796.0 million) 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 2022 (Audited)	6,255	304,474	162,691	7,161	(21,556)	459,025
Loss for the year and total comprehensive income for the year	-	-	-	-	(570)	(570)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-
At 31 December 2022 (Unaudited)	6,255	304,474	162,691	7,161	(22,126)	458,455
At 1 July 2023 (Audited)	6,255	304,474	162,691	18,112	(23,756)	467,776
Loss for the year and total comprehensive income for the year	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-
At 31 December 2022 (Unaudited)	6,255	304,474	162,691	18,112	(23,756)	467,776

** These reserve accounts do not comprise the Company's reserves (31 December 2022: RMB452.2 million) in the statement of financial position of the Company.

Notes to the condensed interim consolidated financial statements

N1. Corporate Information

China Yuanbang Property Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 4 December 2006. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its principal place of business is located at 9th Floor, Yuanbang Building, No. 599 Huangshi West Road, Baiyun District, Guangzhou City, Guangdong Province, People's Republic of China. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") since 9 May 2007.

The principal activity of the Company is investment holding. The principal activity of the Company's subsidiaries (together with the Company referred as the "Group") is property development. There were no significant changes in the nature of the Group's principal activities during the year.

The operations of the Company and its subsidiaries are principally conducted in the People's Republic of China (the "PRC").

N2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2022.

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements.

The condensed interim consolidated financial statements are presented in Renmibi ("RMB") have been rounded to the nearest thousand (RMB'000) unless otherwise indicated.

N2.1. Use of judgements and estimates

In preparing the condensed interim financial statements for the six months ended 31 December 2023, management has made judgements, estimate and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In addition to the additional significant accounting judgements and estimates as disclosed below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the six months ended 31 December 2023.

(a) Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Properties held under development and properties held for sale

Properties held under development and properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Provision is made when net realisable value of properties held for sale is assessed below the cost.

Management determines the net realisable value by using prevailing market data such as most recent sale transactions and cost to completion from gross development value assuming satisfactory completion. These estimates require judgement as to the anticipated sale prices by reference to recent sale transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

The carrying amounts of the Group's properties held under development and properties held for sale as at 31 December 2023 were approximately RMB355.4 million and RMB1,064.5 million (30 June 2023: RMB344.0 million and RMB1,115.5.0), respectively

ii. Investment properties

Investment properties are stated at fair value as estimated by the management based on the valuation performed by an independent external valuer and are in accordance with Note 8. In determining the fair value, the valuer has based on a method of valuation which involves certain assumptions stated in Note 8. In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions.

The fair value measurement of investment properties utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: quoted prices in active markets for identical items (unadjusted);
- Level 2: observable direct and indirect inputs other than Level 1 inputs; and
- Level 3: unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detail information in relation to the fair value measurement of the investment properties, please refer to Note 8.

iii. *Loss allowance for loan and other receivables*

In determining the ECL, management has taken into account the historical default experience and the financial positions of the debtors, adjusted for factors that are specific to the debtor and general economic conditions of the industry in which the subsidiary, related companies and immediate holding company operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for loan and other receivables. The above assessment is after taking into account the current financial positions of the entities.

The carrying amounts of the Group's loan and other receivables as at 31 December 2023 are RMB 60.3 million and RMB421.5 million, respectively (30 June 2023: RMB 59.8 million and RMB471.4 million).

N3. Segment and revenue information

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Company's Executive Directors in order to allocate resources and assess performance of the segment. For the years presented, Executive Directors have determined that the Group has only one single business component/reportable segment as the Group is principally engaged in the business of sale and lease of properties for which is the basis to allocate resources and assess performance.

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are located. In the opinion of the Directors, the majority of the Group's operation and centre of management are sourced from its subsidiaries in Guangzhou, the PRC, and that the operation base of the Group is domiciled in the PRC, as one geographical location. Therefore no analysis of geographical information is presented.

The Group's revenue from external customers is mainly sourced from the PRC. There is no independent and individual customer that contributed to 10% or more of the Group's revenue for the six months ended 31 December 2023 and 2022.

N3.1. Breakdown of revenue

	Group	
	<u>6 months ended</u>	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
Revenue		
<i>Recognised at a point in time, derived from the PRC</i>		
Proceeds from sale of properties held for sale	131,055	199,281
<i>Recognised over time, derived from the PRC</i>		
Proceeds from construction contract	-	-
	131,055	199,281

N3.2. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

N4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 30 June 2023:

	Group		Company	
	31/12/2023	30/6/2023	31/12/2023	30/6/2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At amortised cost				
- Accounts receivables, refundable deposits paid and other receivables	408,960	523,262	1,542	1,542
- Due from subsidiaries	-	-	215,756	215,756
- Loan receivables	48,610	48,610	-	-
- Cash and bank balances	25,581	32,097	-	-
Contract assets	32,585	32,585		
	<u>515,736</u>	<u>636,554</u>	<u>217,298</u>	<u>217,298</u>
Financial liabilities				
At amortised cost				
- Accounts payable, accruals, deposits received and other payables	567,006	536,453	3,566	3,566
- Interest-bearing bank and other borrowings	507,988	514,038	-	-
	<u>1,074,994</u>	<u>1,116,825</u>	<u>3,566</u>	<u>3,566</u>

N5. Profit before taxation

N5.1 Significant items

	Group	
	6 months ended	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
Income		
Interest income from loan receivables	133	4,368
Admission ticket and in-park recreation income	24	2,173
Rental income from investment properties	4,306	6,749
Expenses		
Cost of sales		
- Cost of properties held for sale	156,440	128,264
- Cost of construction contract	-	-
	<u>156,440</u>	<u>128,264</u>
Depreciation of property, plant and equipment	4,942	3,782
Staff costs, including Directors' remuneration		
- Wages and salaries, allowances and benefits in kind	5,552	12,689
- Retirement scheme contribution	1,232	1,525
Less: amount capitalised in		
- Properties held under development	-	(863)
	<u>6,784</u>	<u>13,351</u>

N5.2 Related party transactions

Save as disclosed elsewhere in these financial statements, the Group had no material related party transaction:

N6. Income Tax Expense

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidate statement of profit or loss are:

	Group	
	<u>6 months ended</u>	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
Current income tax – PRC		
- Enterprise Income Tax	988	9,550
- Land Appreciation Tax	121	1,745
- Underprovision in rest of prior year	43,225	-
	<u>44,364</u>	<u>11,295</u>
Deferred tax – PRC	-	-
Total income tax expense	<u><u>44,364</u></u>	<u><u>11,295</u></u>

N7. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired property, plant and equipment with an aggregate cost of RMB2,500,000 (30 June 2023: 120,000RMB). The Group disposed property, plant and equipment with an aggregate cost of RMB271,909 for during the six months ended 31 December 2023. (30 June 2022: Nil).

N8. Investment properties

The Group's investment properties consist of both commercial and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
Carrying amount at beginning of the year	51,820	555,500
Addition	-	-
Fair value adjustments	-	(44,680)
Carrying amount at end of the year	<u>51,820</u>	<u>510,820</u>

Investment properties are stated at fair value. Valuations of investment properties have been determined based on valuations at the end of the reporting period. Valuations are performed by accredited independent valuers with recent experience in the location and category of the properties being valued.

Level 3 fair value has been derived using the income approach by taking into account the net rental income derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations, size and other conditions.

The Group's investment properties were last revalued during June 2023. Management had reviewed the appropriateness of the valuation methodologies, inputs and assumptions adopted in the last valuation and determined that the fair values reported in these condensed interim statements of financial position (and the corresponding change in fair values to be reported in profit or loss) have not changed significantly since 30 June 2023.

N9. Land Use Rights

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
At the beginning of the year		
Cost	12,316	12,316
Accumulated amortisation	<u>(3,658)</u>	<u>(3,371)</u>
Net carrying amount	<u>8,658</u>	<u>8,945</u>
For the year ended		
Opening net carrying amount	8,658	8,945
Amortisation	<u>(292)</u>	<u>(287)</u>
Closing net carrying amount	<u>8,366</u>	<u>8,658</u>
At the end of the year		
Cost	12,316	12,316
Accumulated amortisation	<u>(3,951)</u>	<u>(3,658)</u>
Net carrying amount	<u>8,366</u>	<u>8,658</u>

Land use rights represented leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2072 (30 June 2023: 2042 to 2072).

At 31 December 2023, all land use rights of the Group were pledged as security for the borrowings from banks and other financial institutions.

N10. Loan receivables

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
Fixed-rate loan receivables	95,369	95,369
Less: Allowance for impairment	(46,759)	(46,759)
	<hr/>	<hr/>
Net amount	48,610	48,610
	<hr/> <hr/>	<hr/> <hr/>
Analysed as:		
Current	37,061	37,061
Non-current	11,549	11,549
	<hr/>	<hr/>
	48,610	48,610
	<hr/> <hr/>	<hr/> <hr/>

The loan receivables represents loan receivables from Kaiping Qingshi of RMB25,490,000 and Jiadi Xindu of RMB37,664,000. The Kaiping Qingshi loan is interest bearing at 16% per annum and was secured by the sales proceeds from the sales of its property development projects. The Kaping Qingshi loan was due on 31 December 2023 and the Group and Kaiping Qingshi are in the midst of negotiating the loan renewal. The Jiadi Xindu loan is interest bearing at 16% per annum and was secured by the Jiadi Xindu's sales proceeds from the sales of its property development projects. The Jiadi Xindu loan is due on 31 December 2023.

N11. Properties held under Development

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
Net carrying amount	<hr/>	<hr/>
	355,415	343,991
	<hr/> <hr/>	<hr/> <hr/>
Leasehold interests in land are located in the PRC and have lease terms expiring from 2045 to 2082 (30 June 2023: 2045 to 2082).		

N12. Properties held for Sale

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
Net carrying amount	<hr/>	<hr/>
	1,064,529	1,115,476
	<hr/> <hr/>	<hr/> <hr/>

Properties held for sale included leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2081 (30 June 2023: 2042 to 2081).

N13. Interest-Bearing Bank and Other Borrowings

The analysis of the carrying amount of the bank and other loans is as follows:

	Group	
	31/12/2023	30/6/2023
	RMB'000	RMB'000
Loans from banks and other financial institutions – secured	273,982	277,472
Other loans – secured	205,130	207,690
Other loans – unsecured	<u>28,876</u>	<u>28,876</u>
Total bank and other borrowings	<u>507,998</u>	<u>514,038</u>

The bank and other borrowings are secured by the Group's properties held under development, properties held for sale, bank deposits, construction in progress, investment properties, property plant and equipment.

N14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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 31 December 2023 and as at 30 June 2023.

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	
	31/12/2023	30/06/2023	31/12/2023	30/06/2023
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

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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.

See paragraph N2 of the "Notes to the condensed interim consolidated financial statements".

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.

See item 4 above.

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	
	6 months ended	
	31/12/2023	31/12/2022
Net (loss)/profit attributable to equity holders of the Company(RMB'000)	(107,040)	42,390
Weighted average number of shares outstanding ('000)	69,400	69,400
(a) Basic (RMB dollar)	(1.54)	0.61
(b) Fully diluted (RMB dollar)	N/A	N/A

Note:

Diluted earnings per ordinary share for the 6 months ended 31 December 2023 and 2022 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	
	31/12/2023	30/6/2023	31/12/2023	30/6/2023
Net asset value per ordinary share based on issued share capital at the end of the year (RMB dollars)	8.33	9.76	6.74	6.58

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

For the six months ended 31 December 2023 ("1HFY2023"), the Group's revenue was mainly derived from the sale of units in Shan Qing Shui Xiu (山清水秀) and Hou De Zai Wu (厚德载物).

For 1HFY2024, the Group recorded revenue of RMB131.1 million which was RMB68.2 million lower compared to RMB199.3 million in 1HFY2023.

The decrease in revenue was attributed to the lower unit price of residential units handed over in 1HFY2024. The Group handed over 51 residential units of Shan Qing Shui Xiu in 1HFY2024, compared to 48 residential units of Shan Qing Shui Xiu handed over in 1HFY2023. The Group also handed over a lower number of 5 residential units of Hou De Zai Wu in 1HFY2024 compared to 10 residential units in 1HFY2023.

Cost of sales

The Group's cost of sales in 1HFY2024 amounted to RMB156.4 million which was RMB28.1 million higher compared to RMB 128.3 million in 1HFY2023.

The increase in cost of sales for 1HFY2024 was in line with the increase in number of residential units handed over to buyers.

Gross (loss)/profit

The Group recorded a gross loss of RMB25.4 million for 1HFY2023 which was RMB96.4 million lower compared to RMB71.0 million in 1HFY2023. There was an decrease in gross profit margin from 36% in 1HFY2023 to -19% in 1HFY2024.

Other income and gains

The Group recorded other income and gains of RMB4.1 million for 1HFY2024 which was RMB12.1 million lower compared to RMB16.2 million in 1HFY2023. The decrease was mainly due to decreases in admission ticket and in-park recreation income. It is due to the general slowdown of the Chinese economy which reduced the people's willingness to travel.

Selling expenses

The Group recorded selling expenses of RMB3.9 million for 1HFY2024 which was RMB2.2 million slightly lower compared to RMB6.1 million in 1HFY2023. The selling expenses mainly included sales commission, salaries and marketing expenses.

Administrative expenses

The Group recorded administrative expenses of RMB 29.7 million for 1HFY2024 which were RMB3.4 million higher compared to RMB26.3 million in 1HFY2023. Included in the administrative expenses were mainly salaries and related costs, travelling and transportation costs and professional fees.

Other operating expenses

For 1HFY2024, the Group recorded other operating expenses of RMB0.1 million which were RMB6.3 million lower compared to RMB6.3 million in 1HFY2023. Other operating expenses were mainly the direct costs of the operation of Batai Mountain National Park.

Finance costs

The Group recorded finance costs of RMB4.3 million for 1HFY2024 which was RMB1.7 million slightly higher compared to RMB2.6 million in 1HFY2023. The finance costs were mainly interest expenses for other borrowing for general operating purpose. The finance costs were not capitalised for properties held under development. The increase in interest expenses was a result of a portion of the interest from borrowings not being utilized for property development and, as a result, it was not capitalized.

Income tax expense

The breakdown of income tax expense is as follows:

	Group	
	<u>6 months ended</u>	
	31/12/2023	31/12/2022
	RMB'000	RMB'000
Current income tax – PRC		
- Enterprise Income Tax	988	9,550
- Land Appreciation Tax	121	1,745
- Underprovision in rest of prior year	43,255	
		11,295
Deferred tax – PRC	-	-
Total income tax expense	44,364	11,295

The tax expense for the 1HFY2024 includes Enterprise Income Tax (“EIT”) of RMB44.2 million and Land Appreciation Tax (“LAT”) of RMB0.1 million. The EIT has increased by RMB34.6 million compared to 1HFY2023, while the Land Appreciation Tax has decreased by RMB1.6 million.

The increase in provision of PRC EIT was due to the increase in assessable profits during the year. The LAT for 1HFY2023 was mainly due to the provision of LAT for appreciation of the properties in Hou De Zai Wu and Shan Qing Shui Xiu.

(Loss)/profit for the year

As a result of the above factors, the Group attained a net loss in 1HFY2024 of RMB103.5 million, representing an decrease of RMB138.2 million from RMB34.7 million in 1HFY2023.

(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 31 December 2023

Non-current assets

As at 31 December 2023, the Group had non-current assets of RMB 804.3 million, a slight decrease from RMB 805.4 million as at 30 June 2023. These assets mainly consist of investment properties valued at RMB 510.8 million and a deposit of RMB 115.5 million for a potential acquisition of a company that holds the development rights to a land parcel in Huadu District of Guangzhou. The proposal for this property development has been submitted to the relevant authority, and the Group plans to acquire the company and develop the land after obtaining necessary approvals.

Current assets

As at 31 December 2023, the Group’s current assets stood at RMB1,964.4 million, representing a decrease of RMB95.5 million compared to RMB2,059.9 million as at 30 June 2023. The decrease was mainly due to the net effect of (i) increase in properties held under development by RMB11.4 million due to transfer to properties held for sales; (ii) decrease in property held for sales by RMB50.9 million; and (iii) decrease in cash and bank balances of RMB 6.5 million.

As at 31 December 2023, the Group's current portion of the loan receivable was RMB47.6 million, remaining unchanged compared to RMB47.6 million as at 30 June 2023.

Current liabilities

Current liabilities as at 31 December 2023 stood at RMB1,736.1 million, representing an increase of RMB7.9 million compared to RMB1,728.2 million as at 30 June 2023. The increase in current liabilities was mainly due to the net effect of:

- an increase in accounts payable by RMB0.7 million, which was mainly due to the payment of trade payables and other expenses incurred in the development and construction of the Group's properties;
- a decrease in contract liabilities by RMB74.4 million, which was mainly due to the completion of handed over of pre-sale units of Shan Qing Shu Xiu and Hou De Zai Wu;
- an increase in accruals, deposits received and other payables by RMB28.8 million, which mainly included the accrued construction cost incurred in the development and construction of the Group's properties;
- an increase in income tax payables by RMB52.5 million, which was mainly due to the provision of EIT and LAT of Nangchang project.
- a decrease of interest-bearing bank and other borrowings of RMB0.8 million.

Non-current liabilities

As at 31 December 2023, the Group's non-current liabilities stood at RMB454.8 million, representing a decrease of RMB5.2 million, compared to RMB460 million as at 30 June 2023. This was mainly due to repayment of loans during the period.

Total equity

The equity attributable to owners of the Company decreased by RMB99.3 million from RMB677.1 million as at 30 June 2023 to RMB577.8 million as at 31 December 2023. The decrease in equity attributable to owners of the Company was mainly due to the net loss attained during the period.

Cash flows analysis

In 1HFY2024, net cash generated from operating activities was approximately RMB50.4 million, comprising operating cash flow before working capital changes of RMB 94.5 million, net working capital outflow of RMB49.3 million and net income taxes paid of RMB52.5 million. Despite the increase in properties held under development of RMB11.4 million and decrease in properties held for sales of RMB50.9 million, the Group recorded a net working capital outflow of RMB45.2 million mainly due to an increase in contract liabilities of RMB74.3 million, increase in prepayment of RMB49.9 million.

In 1HFY2024, net cash used in investing activities of RMB0.3 million was mainly due to the purchase of property, plant and equipment.

In 1HFY2024, net cash used in financing activities of RMB0.6 million was mainly due to the repayments of bank and other borrowing of RMB0.6 million.

As a result, the Group has a cash and cash equivalent of RMB22.6 million as at the end of 1HFY2024.

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

The Group's pre-sales in second quarter of FY2024 have been negatively impacted by the general slowdown of the Chinese economy as well as weakness in the Chinese real estate market.

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 real estate market in PRC has been adversely affected by the general slowdown of the Chinese economy after COVID-19 pandemic. This had led to a slowdown in sales and new home construction during the period. According to data from the National Bureau of Statistics, the selling price of new homes in China keep decreased for the year 2023 and decreased by 0.4% in December 2023 compared to the previous month. However, with the PRC reopening from the pandemic and a slew of property support measures during the year 2023, including credit support for debt-laden housing developers, financial support to ensure completion and handover of projects to homeowners, the Management is cautiously optimistic that there is potential sign of recovery of the real estate market. Notwithstanding, the Group will remain cautious and exercise prudence in cost control to mitigate against any possible headwinds.

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 interim results ended 31 December 2023 as the Group is currently loss making, and wishes to conserve its cash for operational purpose.

13. Confirmation By Directors Pursuant to Rule 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 1HFY2024 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 officers under Rule 720(1).

FOR AND ON BEHALF OF THE BOARD

Lin Yeju
Non-Executive Chairman

30 June 2024