

RESPONSES TO QUERIES FROM SGX REGCO

The Board of Directors of China Yuanbang Property Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) refers to its half year results announcement for the six months ended 31 December 2023.

The following information is in response to the SGX RegCo's queries dated 3 July 2024:

- 1) **We refer to the Company's half yearly results for the period ended 31 December 2023 ("1HFY2024") announced on 30 June 2024. The Group recorded a negative gross profit of RMB 25,385,000 in 1HFY2024 compared to a gross profit of RMB 71,017,000 for the comparative period. The Company mainly attributed it to the lower selling prices of residential units in Shan Qing Shui Xiu and Hou De Zai Wu. Noting that these units were sold below cost, please clarify whether any fair value adjustments need to be made for these projects and quantify the impact of such fair value adjustments. If no, to justify why not.**

In mid-2023, due to the bad news from Evergrande Group and Country Garden Holdings Company Limited, the residential real property market became worse, the Company offered more promotional discounts to its customers to increase better cash flow position. Thus, the gross loss is exceptional cases. In line with the PRC government's market remediation policy in 2024, PRC Government provide subsidies to recover the residential real property market and the Company will no longer offer promotional discounts. Therefore, the sales price will revert to the price same as before. After consideration, the Company will not provide fair value adjustment for the remaining unsold properties.

- 2) **The Group recorded a significant decrease in other operating expenses from RMB 6,334,000 to RMB 76,000 in 1HFY2024. The Company explained that it pertains mainly to the direct costs of the operation of Batai Mountain National Park. Is the Company still operating in Batai Mountain National Park? If so, please clarify why its operating expense is significantly lower in 1HFY2024.**

During the year 2023, the Company was noticed that PRC Government would plan to develop national parks in PRC systematically, thus the Company ceased to keep input the operating costs to Batai Mountain National Park. It is a main reason why its operating expenses is significantly lower in 1HFY2024.

- 3) **Reconcile the difference in total equity of the Group as at 31 Dec 2023 in the statement of financial position of RMB 577,770,000 and in the statement of changes in equity of RMB 573,573,000.**

Please find the revised income statement, statement of financial position, statement of cash flows and the statement of changes in equity.

By Order of the Board

Lam Man Chi
Chief Financial Officer and Company Secretary
11 July 2024



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 RMB'000 Unaudited	31/12/2022 RMB'000 Unaudited	% Changes
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		(27,495)	(26,270)	13
Other operating expenses		(75)	(6,334)	(99)
Operating (loss)/profit		(54,709)	48,550	(213)
Finance costs		(4,253)	(2,584)	(65)
(Loss)/profit before income tax	5	(56,962)	45,966	(229)
Income tax expense	6	(44,364)	(11,295)	293
(Loss)/profit for the period		(101,326)	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			1,980	(100)
Total comprehensive (expense)/income for the period		(101,326)	36,651	(382)
(Loss)/profit attributable to:				
Owners of the Company		(97,548)	42,390	(353)
Non-controlling interests		(3,778)	(7,719)	(171)
		(101,326)	34,671	(393)
Total comprehensive (expense)/income attributable to:				
Owners of the Company		(97,548)	44,370	(341)
Non-controlling interests		(3,778)	(7,719)	(171)
		(101,326)	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

		Group		Company	
		31/12/2023	30/6/2023	31/12/2023	30/6/2023
		RMB'000	RMB'000	RMB'000	RMB'000
	Note	Unaudited	Audited	Unaudited	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	-	-
		804,266	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		375,043	470,597	461,521	461,521
		381,298	476,852	467,776	467,776
Non-controlling interests		196,472	200,250	-	-
Total equity		577,770	677,102	467,776	467,776

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		
(Loss)/profit before income tax	(56,962)	45,966
Adjustments for:		
Interest income		(5,112)
Interest expenses	4,253	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 (loss)/profit before working capital changes	(49,028)	47,495
(Increase)/decrease in properties held under development	(11,424)	125,940
Decrease/(increase) in properties held for sale	46,694	(47,729)
Increase in accounts receivable	(477)	(2,998)
Decrease/ (increase) in prepayments, deposits paid and other receivables	49,911	(1,816)
Increase 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	(8,096)	76,164
Income taxes paid	8,136	(4,532)
Interest received		783
<i>Net cash generated from operating activities</i>	40	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	(8,510)	24,518
Effect on exchange translation	1,994	1,905
Cash and cash equivalents at beginning of period	27,910	18,896
Cash and cash equivalents at end of period	21,394	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	(4,187)	(14,242)
Cash and cash equivalents for the purpose of statement of cash flows	21,394	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	-	-	-	-	-	-	-	-	(97,548)	(3,778)	(101,326)
Other comprehensive income											
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	1,994	-	-	-	-	1,994
Total comprehensive income for the period	-	-	-	-	-	1,994	-	-	(97,548)	(3,778)	(99,332)
At 31 December 2023 (Unaudited)	6,255	302,585	31,547	20,720	127,627	12,287	111,385	10,337	(241,445)	196,472	577,770

* These reserve accounts comprise the consolidated reserves of approximately RMB381.3 million (31 December 2022: RMB734.9 million) in the consolidated statement of financial position.