



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 2021

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		% Changes
		31/12/2021 RMB'000 Unaudited	31/12/2020 RMB'000 Unaudited	
Revenue	3	75,812	182,677	(58.5)
Cost of sales		(51,256)	(120,684)	(57.5)
Gross profit		24,556	61,993	(60.4)
Other income and gains		21,670	27,338	(20.7)
Selling expenses		(5,772)	(3,641)	58.5
Administrative expenses		(29,075)	(28,608)	1.6
Other operating expenses		(6,706)	(7,882)	(14.9)
Operating profit		4,673	49,200	(90.5)
Finance costs		(1,151)	(1,301)	(11.5)
Profit before income tax	5	3,522	47,899	(92.6)
Income tax expense	6	(2,657)	(9,624)	(72.4)
Profit for the period		865	38,275	(97.7)
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		1,855	2,502	(25.9)
Total comprehensive income for the period		2,720	40,777	(93.3)
Profit attributable to:				
Owners of the Company		2,553	36,373	(93.0)
Non-controlling interests		(1,688)	1,902	N.M.
		865	38,275	(97.7)
Total comprehensive income attributable to:				
Owners of the Company		4,408	38,875	(88.7)
Non-controlling interests		(1,688)	1,902	N.M.
		2,720	40,777	(93.3)

* N.M. = Not Meaningful

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

	Notes	Group		Company	
		31/12/2021 RMB'000 Unaudited	30/6/2021 RMB'000 Audited	31/12/2021 RMB'000 Unaudited	30/6/2021 RMB'000 Audited
ASSETS AND LIABILITIES					
Non-current assets					
Interests in subsidiaries		-	-	134,381	134,381
Property, plant and equipment	7	92,758	106,109	-	-
Investment properties	8	570,400	570,400	-	-
Land use rights	9	9,050	9,232	-	-
Prepayment		120,000	120,000	-	-
Loan receivables	10	26,095	24,215	-	-
Deferred tax assets		40,723	40,723	-	-
		859,026	870,679	134,381	134,381
Current assets					
Properties held under development	11	209,492	243,212	-	-
Properties held for sale	12	1,219,806	1,178,353	-	-
Accounts receivable		30,359	27,046	-	-
Prepayments, deposits paid and other receivables		463,501	495,777	1,358	1,386
Due from customers for contract work		32,585	32,585	-	-
Loan receivable	10	38,644	36,156	-	-
Due from subsidiaries		-	-	329,591	326,204
Cash and bank balances		43,915	81,468	-	-
		2,038,302	2,094,597	330,949	327,590
Current liabilities					
Accounts payable		345,413	347,969	-	-
Contract liabilities		384,102	399,324	-	-
Accruals, deposits received and other payables		94,874	85,751	8,356	2,103
Interest-bearing bank and other borrowings	13	408,953	417,516	-	-
Income tax payable		199,974	234,681	-	-
		1,433,316	1,485,241	8,356	2,103
Net current assets		604,986	609,356	322,593	325,487
Total assets less current liabilities		1,464,012	1,480,035	456,974	459,868
Non-current liabilities					
Interest-bearing bank and other borrowings		272,503	295,584	-	-
Deferred tax liabilities		140,016	135,678	-	-
		412,519	431,262	-	-
Net assets		1,051,493	1,048,773	456,974	459,868
EQUITY					
Equity attributable to owners of the Company					
Share capital		6,255	6,255	6,255	6,255
Reserves		795,958	791,550	450,719	453,613
		802,213	797,805	456,974	459,868
Non-controlling interests		249,280	250,968	-	-
Total equity		1,051,493	1,048,773	456,974	459,868

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

Amount repayable in one year or less, or on demand

As at 31/12/2021		As at 30/06/2021	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
383,001	25,952	417,516	-

Amount repayable after one year

As at 31/12/2021		As at 30/06/2021	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
272,503	-	269,632	25,952

Details of any collateral

As at 31 December 2021, the Group's interest-bearing borrowings from banks and other financial institutions of RMB 284.9 million (30 June 2021: RMB302.8 million) and other borrowings of RMB 396.5 million (30 June 2021: RMB410.3 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 RMB140.2 million, RMB235.4 million, RMB4.2 million, RMB2.7million, RMB549.1 million, RMB393.7 million (30 June 2021: RMB144.2 million, RMB241.4 million, RMB4.2 million, RMB2.7million, RMB549.1 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	
	31/12/2021 RMB'000 Unaudited	31/12/2020 RMB'000 Unaudited
Cash flows from operating activities		
Profit before income tax	3,522	47,899
Adjustments for:		
Interest income	(4,912)	(9,856)
Interest expenses	1,151	1,301
Amortisation of land use rights	182	182
Depreciation of property, plant and equipment	3,379	4,019
Operating profit before working capital changes	3,322	43,545
Decrease/ (increase) in properties held under development	62,840	(83,271)
(Increase)/ decrease in properties held for sale	(41,453)	100,771
(Increase)/ decrease in accounts receivable	(3,313)	1,139
Decrease in prepayments, deposits paid and other receivables	32,276	47,465
Decrease in account payables	(2,556)	(17,426)
Decrease in contract liabilities	(15,222)	(25,941)
Increase/ (decrease) in accruals, deposits received and other payables	28,256	(64,102)
Cash generated from operations	64,150	2,180
Income taxes paid	(37,364)	(4,327)
Interest received	544	736
<i>Net cash generated from/ (used in) operating activities</i>	27,330	(1,411)
Cash flows from an investing activity		
Purchases of properties, plant and equipment	(5,972)	-
Proceed from sales of property, plant and equipment	-	811
<i>Net cash (used in)/ generated from investing activities</i>	(5,972)	811
Cash flows from financing activities		
Proceeds from bank and other borrowings	220,000	120,000
Repayments of bank and other borrowings	(251,644)	(95,967)
Interest paid	(29,121)	(28,589)
<i>Net cash used in financing activities</i>	(60,765)	(4,556)
Net decrease in cash and cash equivalents	(39,407)	(5,156)
Effect on exchange translation	1,854	2,503
Cash and cash equivalents at beginning of period	63,473	62,515
Cash and cash equivalents at end of period	25,920	59,862

	Group	
	6 months ended	
	31/12/2021	31/12/2020
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash and bank balances	43,915	77,857
Less: Restricted bank deposits	(17,995)	(17,995)
Cash and cash equivalents for the purpose of statement of cash flows	25,920	59,862

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	Contributed surplus* 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 2020 and 1 July 2020 (Audited)	6,255	430,212	31,547	20,720	10,293	106,147	14,492	148,346	246,201	1,014,213
(Loss)/profit for the period	-	-	-	-	-	-	-	36,373	1,902	38,275
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	2,502	-	-	2,502
Total comprehensive income for the period	-	-	-	-	-	-	2,502	36,373	1,902	40,777
At 31 December 2020 (Unaudited)	6,255	430,212	31,547	20,720	10,293	106,147	16,994	184,719	248,103	1,054,990
At 30 June 2021 and 1 July 2021 (Audited)	6,255	430,212	31,547	20,720	10,293	109,253	20,230	169,295	250,968	1,048,773
Profit/ (loss) for the period	-	-	-	-	-	-	-	2,553	(1,688)	865
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	1,855	-	-	1,855
Total comprehensive income for the period	-	-	-	-	-	-	1,855	2,553	(1,688)	2,720
At 31 December 2021 (Unaudited)	6,255	430,212	31,547	20,720	10,293	109,253	22,085	171,848	249,280	1,051,493

* These reserve accounts comprise the consolidated reserves of approximately RMB796.0 million (31 December 2021: RMB800.6 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 2020 (Audited)	133,882	304,474	35,064	-	(15,245)	458,175
Loss for the year and total comprehensive income for the year	-	-	-	-	(2,387)	(2,387)
Exchange differences on translation of financial statements of foreign operations	-	-	-	1,186	-	1,186
At 31 December 2020 (Unaudited)	133,882	304,474	35,064	1,186	(17,632)	456,974
At 1 July 2021 (Audited)	6,255	304,474	-	168,261	(19,122)	459,868
Loss for the year and total comprehensive income for the year	-	-	-	-	(715)	(715)
Exchange differences on translation of financial statements of foreign operations	-	-	-	(2,179)	-	(2,179)
At 31 December 2021 (Unaudited)	6,255	304,474	-	166,082	(19,837)	456,974

** These reserve accounts comprise the Company's reserves of approximately RMB450.7 million (31 December 2021: RMB323.1 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 2021 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 2021.

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 2021, 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 2021.

(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 2021 were approximately RMB209.5 million and RMB1,219.8 million (30 June 2021: RMB243.2 million and RMB1,178.4 million), 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 2021 are RMB 64.7 million and RMB RMB463.5 million, respectively (30 June 2021: RMB 60.4 million and RMB RMB495.8 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 2021 and 2020.

N3.1. Breakdown of revenue

	Group	
	<u>6 months ended</u>	
	31/12/2021	31/12/2020
	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	75,812	182,677
<i>Recognised over time, derived from the PRC</i>		
Proceeds from construction contract	-	-
	<u>75,812</u>	<u>182,677</u>

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 2021 and 30 June 2021:

	Group		Company	
	31/12/2021	30/6/2021	31/12/2021	30/6/2021
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Financial assets</u>				
At amortised cost				
- Accounts receivables, refundable deposits paid and other receivables	493,199	569,191	1,358	1,386
- Due from subsidiaries	-	-	329,591	326,204
- Loan receivables	64,739	60,371	-	-
- Cash and bank balances	43,915	81,468	-	-
	601,853	711,030	330,949	327,590
<u>Financial liabilities</u>				
At amortised cost				
- Accounts payable, accruals, deposits received and other payables	440,287	433,720	8,356	2,103
- Interest-bearing bank and other borrowings	681,456	713,100	-	-
	712,790	1,146,100	8,356	2,103

N5. Profit before taxation**N5.1 Significant items**

	Group	
	6 months ended	
	31/12/2021	31/12/2020
	RMB'000	RMB'000
<u>Income</u>		
Interest income from loan receivables	4,368	4,368
Admission ticket and in-park recreation income	2,346	6,486
Rental income from investment properties	6,910	7,173
<u>Expenses</u>		
Cost of sales		
- Cost of properties held for sale	51,256	120,684
- Cost of construction contract	-	-
	51,256	120,684
Depreciation of property, plant and equipment	3,379	4,019
Staff costs, including Directors' remuneration		
- Wages and salaries, allowances and benefits in kind	15,414	14,288
- Retirement scheme contribution	2,567	2,485
Less: amount capitalised in		
- Properties held under development	(1,072)	(940)
	16,909	15,833

N5.2 Related party transactions

Save as disclosed elsewhere in these financial statements, the Group had the following material related party transaction:

	<u>Nature of transaction</u>	Group	
		<u>6 months ended</u>	
		31/12/2021	31/12/2020
		RMB'000	RMB'000
Kaiping Qingshi Auto Parts Co., Ltd. ("Kaiping Qingshi") (Note)	Interest income	700	1,880

Note:

Mr. Zhou Jiangtao, a director of the Company, was previously a legal representative of Kaiping Qingshi and held an effective equity interest of 28.6% in Kaiping Qingshi. As at 31 December 2021, Kaiping Qingshi was not regarded as a related party due to Mr Zhou Jiangtao had disposed of all his equity interest in Kaiping Qingshi to an independent third party and is no longer the legal representative of Kaiping Qingshi on 10 September 2021.

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>	
	31/12/2021	31/12/2020
	RMB'000	RMB'000
Current income tax – PRC		
- Enterprise Income Tax	1,831	7,791
- Land Appreciation Tax	826	1,833
	<u>2,657</u>	<u>9,624</u>
Deferred tax – PRC	-	-
Total income tax expense	<u>2,657</u>	<u>9,624</u>

N7. Property, plant and equipment

During the financial year ended 31 December 2021, the Group acquired property, plant and equipment with an aggregate cost of RMB5,972,000 (30 June 2021: RMB7,461,000). The Group did not dispose any property, plant and equipment for during the six months ended 31 December 2021. (30 June 2021: RMB119,000).

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	
	31/12/2021	30/6/2021
	RMB'000	RMB'000
Carrying amount at beginning of the year	570,400	569,800
Fair value adjustments	-	600
Carrying amount at end of the year	<u>570,400</u>	<u>570,400</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 2021. 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 2021.

N9. Land Use Rights

	Group	
	31/12/2021	30/6/2021
	RMB'000	RMB'000
At the beginning of the year		
Cost	12,316	12,316
Accumulated amortisation	(3,084)	(2,787)
Net carrying amount	<u>9,232</u>	<u>9,529</u>
For the year ended		
Opening net carrying amount	9,232	9,529
Amortisation	(182)	(297)
Closing net carrying amount	<u>9,050</u>	<u>9,232</u>
At the end of the year		
Cost	12,316	12,316
Accumulated amortisation	(3,266)	(3,084)
Net carrying amount	<u>9,050</u>	<u>9,232</u>

Land use rights represented leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2072 (30 June 2021: 2042 to 2072).

At 31 December 2021, all land use rights of the Group were pledged as security for the borrowings from banks and other financial institutions. Such borrowings are repayable in 2022.

N10. Loan receivables

	Group	
	31/12/2021	30/6/2021
	RMB'000	RMB'000
- related party (Note)	-	33,166
- third party	89,512	51,978
Fixed-rate loan receivables	<u>89,512</u>	<u>85,144</u>
Less: Allowance for impairment		
- related party (Note)	-	(8,952)
- third party	(24,773)	(15,821)
Less: Allowance for impairment	<u>(24,773)</u>	<u>(24,773)</u>
Net amount	<u>64,739</u>	<u>60,371</u>
Analysed as:		
Current	-	36,156
Non-current	64,739	24,215
	<u>64,739</u>	<u>60,371</u>

Note:

The amount represents loan receivable from Kaiping Qingshi. Mr. Zhou Jiangtao, a director of the Company, was previously a legal representative of Kaiping Qingshi and held an effective equity interest of 28.6% in Kaiping Qingshi. As at 31 December 2021, Kaiping Qingshi was not regarded as a related party due to Mr Zhou Jiangtao had disposed of all his equity interest in Kaiping Qingshi to an independent third party and is no longer the legal representative of Kaiping Qingshi on 10 September 2021.

N11. Properties held under Development

	Group	
	31/12/2021	30/6/2021
	RMB'000	RMB'000
Net carrying amount	<u>209,492</u>	<u>243,212</u>

Leasehold interests in land are located in the PRC and have lease terms expiring from 2045 to 2082 (30 June 2021: 2045 to 2082).

N12. Properties held for Sale

	Group	
	31/12/2021	30/6/2021
	RMB'000	RMB'000
Net carrying amount	<u>1,219,806</u>	<u>1,178,353</u>

Properties held for sale included leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2081 (30 June 2021: 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	
	31/12/2021	30/6/2020
	RMB'000	RMB'000
Loans from banks and other financial institutions – secured	284,899	302,757
Other loans – secured	371,123	384,391
Other loans – unsecured	25,434	25,952
	<hr/>	<hr/>
Total bank and other borrowings	<u>681,456</u>	<u>713,100</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 2021 and as at 30 June 2021.

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	
	31/12/2021	30/06/2021	31/12/2021	30/06/2021
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	
	31/12/2021	31/12/2020
Net profit attributable to equity holders of the Company(RMB'000)	2,553	36,373
Weighted average number of shares outstanding ('000)	69,400	69,400
(a) Basic (RMB dollar)	0.04	0.52
(b) Fully diluted (RMB dollar)	N/A	N/A

Note:

Diluted earnings per ordinary share for the 6 months and year ended 31 December 2021 and 30 June 2021 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	
	31/12/2021	30/6/2021	31/12/2021	30/6/2021
Net asset value per ordinary share based on issued share capital at the end of the year (RMB dollars)	11.56	11.50	6.58	6.63

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 half year ended 31 December 2021 ("1HFY2022"), 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 1HFY2022, the Group recorded revenue of RMB75.8 million which was RMB106.9 million lower compared to RMB182.7 million in 1HFY2021.

The decrease in revenue was attributed to the decrease in the number of residential units handed over in 1HFY2022. The Group handed over 18 residential units of Shan Qing Shui Xiu in 1HFY2022, compared to 22 residential units of Shan Qing Shui Xiu handed over in 1HFY2021. The Group also handed over a lower number of 5 residential units of Hou De Zai Wu in 1HFY2022 compared to over 18 residential units in 1HFY2021.

Cost of sales

The Group's cost of sales in 1HFY2022 amounted to RMB51.3 million which was RMB69.4 million lower compared to RMB120.7 million in 1HFY2021.

The decrease in cost of sales for 1HFY2022 corresponded to the decrease in number of residential units handed over to buyers.

Gross profit

The Group recorded a gross profit of RMB24.6 million for 1HFY2022 which was RMB37.4 million lower compared to RMB62.0 million in 1HFY2021. There was a slight decrease in gross profit margin from 34% in 1HFY2021 to 32% in 1HFY2022.

Other income and gains

The Group recorded other income and gains of RMB21.6 million for 1HFY2022 which was RMB5.7 million lower compared to RMB27.3 million in 1HFY2021. The decrease was mainly due to decreases in admission ticket and in-park recreation income. During August to December 2021, Sichuan Province had confirmed Covid cases which reduced the people's willingness to travel.

Selling expenses

The Group recorded selling expenses of RMB5.8 million for 1QFY2022 which was RMB2.1 million higher as compared to RMB3.6 million in 1HFY2021. The increase in selling expenses was mainly due to the increase in commission expenses to boost sales of the Group's existing projects.

Administrative expenses

The Group recorded administrative expenses of RMB 29.1 million for 1HFY2022 which were RMB0.5 million higher compared to RMB28.6 million in FY2020. Included in the administrative expenses were mainly salaries and related costs, travelling and transportation costs and professional fees.

Other operating expenses

For 1HFY2022, the Group recorded other operating expenses of RMB6.7 million which were RMB1.2 million lower compared to RMB7.9 million in 1HFY2021. The decrease was due to a decrease in direct costs of the operation of Batai Mountain National Park.

Finance costs

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.

Income tax expense

The breakdown of income tax expense is as follows:

	<u>6 months ended</u>	
	31/12/2021	31/12/2020
	RMB'000	RMB'000
Current income tax – PRC		
- Enterprise Income Tax	1,831	7,791
- Land Appreciation Tax	826	1,833
	2,657	9,624

The Group recorded an income tax expense of RMB2.7 million for 1HFY2022, which was RMB7.0 million lower compared to RMB9.6 million in 1HFY2021. The amount mainly comprises the provision of PRC enterprise income tax (“EIT”) of RMB1.8 million, land appreciation tax (“LAT”) of RMB0.8 million.

The decrease in provision of PRC EIT from last year was due to the decrease in assessable profits during the year. The LAT for FY2021 was mainly due to the provision of LAT for appreciation of the properties in Hou De Zai Wu and Shan Qing Shui Xiu.

Profit for the year

As a result of the above factors, the Group attained a profit before tax in 1HFY2022 of RMB0.9 million, representing a decrease of RMB37.4 from RMB38.3 million in 1HFY2021.

(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 2021**Non-current assets**

As at 31 December 2021, the Group had non-current assets of RMB859.0 million, representing a slight decrease of RMB11.7 million compared to RMB870.7 million as at 30 June 2021. The non-current assets mainly consist of investment properties of RMB 570.4 million and balance deposit of RMB120.0 million for a potential acquisition of a company that holds the development rights to a 32,566.64 sqm. land parcel in Huadu District of Guangzhou. The proposal for the property development of the aforesaid land parcel had been submitted to the relevant authority. The Group intends to acquire the company and develop the land after the necessary approvals are obtained.

Further to the Group’s announcements dated 4 April 2021 and 15 April 2021, the Group has completed its evaluation of a possible investment into Kaiping Qingshi. However due to the continued weakness in the real estate sector, the Group has decided to delay the acquisition of an equity stake in Kaiping Qingshi, and instead retain its participation in Kaiping Qingshi through a redeemable debt. The Group will continue to monitor the development of Phase 2 of Kaiping Qingshi and may still eventually acquire

an equity stake in Kaiping QingShi. The Company will make the necessary announcement to update the status in due course.

Current assets

As at 31 December 2021, the Group's current assets stood at RMB2,038.3 million, representing a decrease of RMB56.3 million compared to RMB2,094.6 million as at 30 June 2021. The decrease was mainly due to the net effect of (i) decrease in properties held under development by RMB33.7 million due to the Group's Shan Qing Shui Xiu project; (ii) increase in property held for sales by RMB41.4 million; and (iii) decrease in prepayment, deposits paid and other receivables of RMB 30.4 million mainly due to settlement of prepaid construction cost.

The Group had a loan receivable of RMB38.6 million from Jiadi Xindu which was due on 31 December 2021. Jiadi Xindu had made submissions to the relevant government authority for Jiadi Xindu to access the pre-sales proceeds, which are currently held in an escrow account, so that the funds can be applied towards a repayment of the loan. Concurrently, Parties are now in the midst of finalizing the terms and collaterals for an extension of the said loan. The Company will make the necessary announcement to update the status in due course.

Current liabilities

As at 31 December 2021, the Group's current liabilities stood at RMB1,433.3 million, representing an increase of RMB51.9 million, compared to RMB1,485.2 million as at 30 June 2021.

The decrease in current liabilities was mainly due to the net effect of (i) an decrease in accounts payable by RMB2.6 million; (ii) an decrease in contract liabilities by RMB15.2 million due to completion of handed over of pre-sale units of Shan Qing Shu Xiu and Hou De Zai Wu; (iii) increase in accruals, deposits received and other payables which included the accrued construction cost; and (iv) decrease income tax payables of RMB34.7 million due to settlement of EIT and LAT of Nangchang project.

Non-current liabilities

As at 31 December 2021, the Group's non-current liabilities stood at RMB412.5 million, representing a decrease of RMB18.8 million, compared to RMB431.3 million as at 30 June 2021. This was mainly due to reclassification of long-term interest-bearing bank and other borrowings to short-term borrowings during the year.

Total equity

The equity attributable to owners of the Company increased by RMB4.4 million from RMB802.2 million as at 31 December 2021 to RMB797.8 million as at 30 June 2021. The increase in equity attributable to owners of the Company was mainly due to the net profit attained during the period.

Cash flows analysis

In 1HFY2022, net cash generated from operating activities was RMB64.2 million which comprised (i) decrease in properties held for sale of RMB41.5 million; (ii) decrease in properties held under development of RMB62.8 million; (iii) decrease in contract liabilities of RMB15.2 million; (iv) increase in accruals deposits received and other payables of RMB28.3 million; and (v) decrease in account payables of RMB 2.6 million.

In 1HFY2022, net cash used in investing activities of RMB6.0 million was mainly due to the purchase of property, plant and equipment of RMB6.0 million.

In 1HFY2021, net cash used in financing activities of RMB60.8 million was mainly due to the net proceeds from bank and other borrowings of RMB220.0 million, which was offset by the cash used for repayments of bank and other borrowing of RMB251.6 million and payment of interest of RMB29.1 million.

As a result, the Group has a cash and cash equivalent of RMB43.9 million as at the end of 1HFY2022.

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

Not applicable.

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.

China's property market has slowed down since June 2021 as the government step-up its deleveraging policies and resulting in defaults at some heavily indebted properties developers.

According to the data released by National Bureau of Statistics of China released on 15 January 2022, China's new home prices in 70 major cities rose by 2.6% year-on-year in December 2021. The growth in new home prices was the weakest since January 2016. With the tightening credit policy remains in place, Management expects the property market in 2022 to remain soft. 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 31 December 2021 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 31 December 2021	1,781	500	1,006	4,457
Percentage of handed over	66%	70%	71%	79%
Pre-sale units not handed over to buyers as at 31 December 2021				
- Residential unit	132	-	5	104
- Carpark unit	6	1	-	20
- Commercial unit	N/A	N/A	-	11
Pre-sale value received not handed over to buyers as at 31 December 2021	RMB99.2 million	RMB2.1 million	RMB0.1 million	RMB232.7 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 interim results ended 31 December 2021 as the Group 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 1HFY2022 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).

FOR AND ON BEHALF OF THE BOARD

Lin Yeju
Non-Executive Chairman

11 February 2022