



**CHINA YUANBANG PROPERTY HOLDINGS LIMITED**  
(Company Registration No. 39247)  
(Incorporated in Bermuda on 04 December 2006)

## **MEDIA RELEASE**

# **CHINA YUANBANG ACHIEVES RMB160.5 MILLION REVENUE AMID A CHALLENGING 3QFY15**

- **Net asset value per share was RMB 109.3 cents as at 31 March 2015**
- **Pipeline of RMB1.0 billion worth of pre-sold units to be progressively recognised as revenue**
- **The Group is also involved in the design, planning and construction of other developments such as the tourism related Batai Mountain property project**

**SINGAPORE, 12 May 2015** – Mainboard-listed **China Yuanbang Property Holdings Limited** (元邦房地產控股有限公司) together with its subsidiaries (“Yuanbang” or the “Group”), a Guangzhou-based premier property developer with a focus on integrating nature with its quality and premium residential and commercial properties targeting middle to upper-middle income market segments in China, delivered revenue of RMB160.5 million for the three months ended 31 March 2015 (“**3QFY15**”), a decline of RMB119.9 million from the RMB280.4 million achieved in 3QFY14. A delay in the necessary certification process for its Ming Yue Shui An (明月水岸) development project, deferred its handing over of pre-sold units to homebuyers. This led to the year-on-year lower revenue. For the nine months ended 31 March 2015 (“**9MFY15**”), Yuanbang recorded a revenue of RMB350.6 million.

Along with the lower revenue, the Group’s gross profit decreased from RMB99.8 million in 3QFY14 to RMB31.7 million in 3QFY15. Gross profit was RMB64.3 million in 9MFY15 compared with RMB345.3 million in 9MFY14. Gross profit margin decreased to 20% and 18% in 3QFY15 and 9MFY15, respectively, from 36% in each of the previous corresponding periods. The dip in gross profit margin was mainly due to the handover of certain carparks during the period, which commanded lower margins compared with residential units. Revenue in 3QFY14 and 9MFY14 was fully derived from the sale of residential units

Included in other income was ticket sales revenue from the Batai Mountain National Park that was launched in October 2014. Yuanbang was involved in the design, planning and construction of this tourism-hospitality development.

With fewer advertising and promotional activities during the period, selling expenses was 43.2% lower at RMB5.6 million in 3QFY15, compared with 3QFY14. Administrative expenses however, increased 10.7% to RMB29.6 million in 3QFY15, from RMB26.8 million a year ago. This was mainly due to higher salaries as well as travelling and office expenses incurred in relation to the launch of the Batai Mountain National Park.

Although the Group was able to lower its overall operating expenses in 3QFY15, it was not enough to offset the decline in revenue. As a result, the Group achieved a lower net profit attributable to shareholders amounting to RMB6.2 million in 3QFY15, compared with RMB9.1 million in 3QFY14. It recorded a net loss attributable to shareholders of RMB39.8 million in 9MFY15, compared with a profit position of RMB64.2 million a year ago, dragged down by the lower revenue.

### **Financial Position**

The Group's net assets attributable to shareholders stood at RMB758.5 million as at 31 March 2015. Based on the total number of issued shares of 694,000,000, this translates into a net asset value per share of RMB 109.3 cents. The Group's bank borrowings amounted to RMB1,787.5 million as at end 3QFY15, of which RMB1,263.0 million are secured by the pledge of certain properties held for development, properties held under development, properties held for sale and investment properties of the Group.

Cash and cash equivalents balance increased to RMB404.1 million as at 31 March 2015 from RMB290.0 million as at 30 June 2014, mainly due to proceeds from new bank loans.

### **Business Outlook**

China's economy grew 7.0% year-on-year in the first quarter of 2015, its slowest pace in six years. Since the start of 2015, the Chinese government has been taking steps to stimulate the economy by (i) easing bank reserve-requirement ratios to allow banks to boost lending, and (ii) easing cooling measures specific to the real estate sector such as lowering the down payment for first-time and second-time homebuyers. Just this week, China cut rates for the third time in six months, in a bid to shore up the economy.

The Chinese government also continues to pursue urbanization in China. Yuanbang, which focuses on integrating nature elements with modern design and amenities to provide total urban living solutions, has also been actively involved in the “reconstruction of urban-village” (“城中村”改造) projects initiated by the Chinese government in its drive for urbanization.

RMB1.0 billion worth of pre-sold units from its projects that have not been handed over, namely Shan Qing Shui Xiu Phase I & II (山清水秀), Aqua Lake Grand City Phase II (绿湖豪城), Ming Yue Xing Hui (明月星辉), Ming Yue Jin An (明月金岸) and Ming Yue Shui An (明月水岸), will be progressively recognised as revenue from 4QFY15 onwards. As of 31 March 2015, the Group has obtained the necessary certifications for four out of ten residential blocks in Ming Yue Shui An (明月水岸). The Group will progressively hand over the pre-sold units to buyers and recognise the corresponding revenue for this project as and when it obtains the necessary certifications for the remaining six residential blocks.

Pre-launch sales of Phase 1 of its Ren Jie Di Ling (人杰地灵) project in Rushan City has started, with a total of 170 units available for sale. Given the macro economic situation in China, the Group is carefully planning for a full-scale launch to be held in due course.

On top of the on-going projects, the Group is in the process of planning and constructing four other developments, namely Hou De Zai Wu (厚德载物) in Tonghua City, Batai Mountain Project in Wanyuan City, Huizhou Project in Huizhou City, and Conghua Project in Conghua City.

Mr Ouyang Sheng, Chief Executive Officer of Yuanbang said, ***“The operating environment for the real estate sector is likely to remain challenging. Nonetheless, we believe the long term prospects are still positive, supported by the Chinese government’s drive for urbanization. We remain committed to deliver quality properties that reflect “quality lifestyle”. Such an approach, coupled with our track record and capabilities, would allow the Group to continue to push ahead.”***

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*This media release is to be read in conjunction with the Company’s announcement posted on the SGX website on 12 May 2015.*

**ABOUT CHINA YUANBANG PROPERTY HOLDINGS LIMITED (SGX Stock code: B2X)**

**China Yuanbang Property Holdings Limited** (元邦房地產控股有限公司) together with its subsidiaries (“**Yuanbang**” or the “**Group**”), is a Guangzhou-based property developer, with a focus on integrating nature with its quality and premium residential and commercial properties targeting middle to upper-middle income market segments in the People’s Republic of China (“PRC”).

Established in 1998, Yuanbang remains committed to its mission of being a “*quality builder*”. Over the years, Yuanbang has established itself as premium brand developer, with expertise in residential real estate, commercial real estate, tourism-related real estate, hotel development, real estate planning as well as property management.

Based on its vision to have every project encompass the values and attributes that embodies “*quality lifestyle*”, the Group has established a track record of building luxurious, high quality properties in the PRC, such as “Yuanbang Shan Qing Shui Xiu (元邦·山清水秀)”, “Yuanbang Ming Yue Yuan (元邦·明月園)” and “Yuanbang Ming Yue Jin An (元邦·明月金岸)” amongst others. To date, Yuanbang has completed a total development area of over 3.0 million square metres.

The Group currently has a presence in several cities across the PRC, such as Guangzhou, Huizhou, Nanchang, Wanyuan, Weihai and Tonghua. With Guangzhou as its base, the Group strategically expands its focus to the surrounding cities.

Building on its strong brand name and years of experience, Yuanbang had initiated a “10-year free warranty” for its properties. Over the years, Yuanbang has also won several awards and accolades in the PRC, including being ranked as one of the Top 200 Real Estate Development Enterprises in the PRC and receiving the Good Faith Demonstration Enterprise of Guangdong Province award.

A number of its properties also received recognition as Most Influential Real Estate and Consumer Trusted Real Estate by consumers, which are testaments to the quality of its property developments. Yuanbang is regarded as one of the more influential real estate developers in the PRC, based on its high quality property developments.

For more information, please visit the company website at [www.yuanbang.com](http://www.yuanbang.com)

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