

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

NOTIFICATION OF IMMEDIATE LOAN REPAYMENT

The Board of Directors (the “**Board**”) of China Yuanbang Property Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) would like to inform shareholders of the Company that its indirect 100% subsidiary, Guangdong Yuanbang Real Estate Development Co., Limited (广东元邦房地产开发有限公司) (the “**Subsidiary**”), has received a notification from one of the Group's lenders, Guangzhou Assets Management Limited (广州资产管理有限公司) (the “**Lender**”) requesting for immediate repayment of the balance of the outstanding loan amounting to RMB182,000,000 (the “**Loan**”) together with default interest of RMB25,708,667 (the “**Interests**”).

Certain individuals, including Zhang Wensheng (“**Zhang**”), Zhong Weidong (“**Zhong**”), Mr. Chen Jianfeng, the Company's controlling shareholder, and the Company's Non-Executive Chairman, Mdm Lim Yeju, have acted as guarantors in connection with the Loan. Zhang and Zhong have pledged a parcel of land in the People's Republic of China (“**PRC**”) owned by them (the “**Land**”) while Mr Chen and Mdm Lim have furnished personal guarantees in favour of the Lender. Another company unrelated to the Group, Guangzhou Jiadi Xindu Property Development Limited has also furnished a corporate guarantee as security for the Loan. Save as disclosed in Note (1) below, Zhang and Zhong are unrelated third parties to the Group, its Directors and controlling shareholders. For avoidance of doubt, the Loan was received and utilised by the Group for its working capital purposes.

Guangzhou Yuanbang Real Estate Development Co., Limited (广州元邦房地产开发有限公司) (“**GYPD**”), the Company's indirect 90% subsidiary has also pledged various parking lots of Shan Qing Shui Xiu at North Shangqian Tourist, Avenue Qixin Village, Furong Town Huadu District, Guangzhou City, Guangdong Province, PRC (the “**Parking lots**”) and levels 2 to levels 8 of the Group's office building at Yuanbang Building, No. 599 Huangshi West Road, Baiyun District, Guangzhou City, Guangdong Province, PRC (the “**Building**”) as security for the Loan (the aforesaid Parking lots and the Building hereinafter collectively referred to as the “**Pledged Property**”). As at the date of this announcement, levels 2 to levels 8 of the Building are leased to various tenants to supplement the Group's income and facilitate the Group's working capital needs.

Based on representations from the Company's management, the Board understands the following:

- (1) the Loan was intended to amongst others, finance the (a) joint development of the Land for a project/ joint venture by the Group and Zhang and Zhong, and (b) the working capital needs of the Group;
- (2) the current market valuation of the Land exceeds the aggregate of the Loan and the Interests; and
- (3) assuming that the entirety of the Pledged Property is subject to enforcement action pursuant to legal proceedings initiated by the Lender, management does not expect such enforcement action and/or the loss of the Pledged Property to materially affect the Group's operations.

The management of the Company is in close communications with the Lender to negotiate and agree on a revised repayment schedule for the Loan. Notwithstanding the above, in the interests of prudence, the Board has resolved to apply for a voluntary suspension of trading in its shares until the revised repayment schedule for the Loan is agreed in writing with the Lender. The Board intends to engage and work with such professionals, as may be necessary to among others, facilitate the finalisation of the revised payment schedule for the Loan, verifying the accuracy of its books/ accounts and assess its financial position, before applying for the lifting of the trading suspension.

The Company will make further announcement to keep shareholders and investors informed of any material developments.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lam Man Chi
Chief Financial Officer and Company Secretary
21 October 2024