



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

2ND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for period ended 31 December 2019. These figures have not been audited.

	Group 3 months ended			Group 6 months ended		
	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited	% Changes	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited	% Changes
Revenue	87,305	657,637	(86.7)	208,175	905,437	(77.0)
Cost of sales	(62,928)	(480,860)	(86.9)	(142,858)	(619,626)	(76.9)
Gross profit	24,377	176,777	(86.2)	65,317	285,811	(77.1)
Other income and gains	14,686	9,554	53.7	27,384	20,506	33.5
Selling expenses	(3,114)	(14,602)	(78.7)	(7,297)	(31,741)	(77.0)
Administrative expenses	(15,357)	(14,766)	4.0	(29,741)	(30,009)	(0.9)
Other operating expenses	(4,019)	(7,220)	(44.3)	(14,733)	(16,461)	(10.5)
Operating profit	16,573	149,743	(88.9)	40,930	228,106	(82.1)
Finance costs	(650)	(568)	14.4	(1,301)	(1,136)	14.5
Profit before income tax	15,923	149,175	(89.3)	39,629	226,970	(82.5)
Income tax expense	(520)	(13,740)	(96.2)	(10,846)	(48,225)	(77.5)
Profit for the period	15,403	135,435	(88.6)	28,783	178,745	(83.9)
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	5,716	(637)	N.M.	6,376	(1,327)	N.M.
Total comprehensive income for the period	21,119	134,798	(84.3)	35,159	177,418	(80.2)
Profit attributable to:						
Owners of the Company	16,029	136,071	(88.2)	30,204	181,131	(83.3)
Non-controlling interests	(626)	(636)	(1.6)	(1,421)	(2,386)	(40.4)
	15,403	135,435	(88.6)	28,783	178,745	(83.9)
Total comprehensive income attributable to:						
Owners of the Company	21,745	135,434	(83.9)	36,580	179,804	(79.7)
Non-controlling interests	(626)	(636)	(1.6)	(1,421)	(2,386)	(40.4)
	21,119	134,798	(84.3)	35,159	177,418	(80.2)

Note: N.M.- Not meaningful

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	31/12/2019	30/6/2019	31/12/2019	30/6/2019
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	134,381	134,381
Property, plant and equipment	105,292	108,163	-	-
Investment properties	587,600	587,600	-	-
Land use rights	9,711	9,806	-	-
Prepayment	120,000	120,000	-	-
Loan receivables	39,892	40,070	-	-
Deferred tax assets	40,913	40,913	-	-
	903,408	906,552	134,381	134,381
Current assets				
Properties held under development	586,090	439,918	-	-
Properties held for sale	1,112,461	1,252,513	-	-
Accounts receivable	55,426	59,157	-	-
Prepayments, deposits paid and other receivables	569,454	570,246	1,490	1,526
Due from customers for contract work	31,165	31,165	-	-
Loan receivable	105,431	109,269	-	-
Due from subsidiaries	-	-	334,609	332,438
Cash and bank balances	50,641	123,147	-	-
	2,510,668	2,585,415	336,099	333,964
Current liabilities				
Accounts payable	418,066	504,671	-	-
Receipts in advance	603,741	562,834	-	-
Accruals, deposits received and other payables	440,330	412,015	10,930	10,833
Interest-bearing bank and other borrowings	108,823	431,595	-	-
Income tax payable	190,714	165,336	-	-
	1,761,674	2,076,451	10,930	10,833
Net current assets	748,994	508,964	325,169	323,131
Total assets less current liabilities	1,652,402	1,415,516	459,550	457,512
Non-current liabilities				
Interest-bearing bank and other borrowings	561,476	359,749	-	-
Deferred tax liabilities	140,016	140,016	-	-
	701,492	499,765	-	-
Net assets	950,910	915,751	459,550	457,512
EQUITY				
Equity attributable to owners of the Company				
Share capital	6,255	133,882	6,255	133,882
Reserves	717,100	552,893	453,295	323,630
	723,355	686,775	459,550	457,512
Non-controlling interests	227,555	228,976	-	-
Total equity	950,910	915,751	459,550	457,512

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31/12/2019		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
108,823	-	244,504	23,740

Amount repayable after one year

As at 31/12/2019		As at 30/06/2019	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
533,585	27,891	490,979	-

Details of any collateral

As at 31 December 2019, the Group's interest-bearing bank borrowings of RMB642.4 million were secured by the pledge of certain properties held under development, properties held for sale and investment properties of the Group.

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.

	Group 3 months ended		Group 6 months ended	
	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited
Cash flows from operating activities				
Profit before income tax	15,923	149,175	39,629	226,970
Adjustments for:				
Interest income	(5,032)	(1,053)	(10,523)	(2,131)
Interest expenses	650	-	1,301	-
Amortisation of land use rights	95	73	190	144
Impairment of other receivables	-	-	772	-
Depreciation of property, plant and equipment	2,102	2,024	4,234	4,256
Operating profit before working capital changes	13,738	150,219	35,603	229,239
Decrease/ (increase) in properties held under development	39,400	202,221	(115,983)	190,015
Decrease/ (increase) in properties held for sale	62,645	(202,840)	140,052	(71,103)
Decrease / (increase) in accounts receivable	1,682	(7,967)	3,731	(13,903)
(Increase)/ decrease in prepayments, deposits paid and other receivables	(53,575)	124,670	20	90,640
(Decrease)/ increase in account payables	(81,390)	231,879	(86,605)	(43,657)
(Decrease)/ increase in receipts in advance	(5,210)	(448,817)	40,905	(170,755)
Decrease / (increase) in accruals, deposits received and other payables	67,651	(88,961)	48,857	(186,255)
Cash generated from operations	44,941	(39,596)	66,580	24,221
Income taxes paid	(2,469)	(7,959)	(3,903)	(36,147)
Interest received	1,530	1,053	11,037	1,878
<i>Net cash generated from/ (used in) operating activities</i>	44,002	(46,502)	73,714	(10,048)
Cash flows from an investing activity				
Increase in deposit paid	-	-	-	(35,000)
Purchase of property, plant and equipment	(737)	(1,895)	(1,363)	(4,085)
<i>Net cash used in investing activities</i>	(737)	(1,895)	(1,363)	(39,085)
Cash flows from financing activities				
Proceeds from bank and other borrowings	21,170	880	49,410	100,880
Repayments of bank and other borrowings	(100,751)	(14,714)	(170,453)	(40,869)
Interest paid	(20,526)	(10,000)	(30,190)	(36,915)
<i>Net cash (used in)/ generated from financing activities</i>	(100,107)	(23,834)	(151,233)	23,096
Net decrease in cash and cash equivalents	(56,842)	(72,231)	(78,882)	(26,037)
Effect on exchange translation	5,714	(637)	6,376	(1,327)
Cash and cash equivalents at beginning of period	83,774	206,855	105,152	161,351
Cash and cash equivalents at end of period	32,646	133,987	32,646	133,987

	Group 3 months ended		Group 6 months ended	
	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited	31/12/2019 RMB'000 Unaudited	31/12/2018 RMB'000 Unaudited
Cash and bank balances	50,641	152,946	50,641	152,946
Less: Restricted bank deposits	(17,995)	(18,959)	(17,995)	(18,959)
Cash and cash equivalents for the purpose of statement of cash flows	32,646	133,987	32,646	133,987

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.

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 2018 and 1 July 2018 (Audited)	133,882	302,585	-	20,720	10,293	93,892	4,064	56,384	290,229	912,049
(Loss)/profit for the period	-	-	-	-	-	-	-	181,131	(2,386)	178,745
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	(1,327)	-	-	(1,327)
Total comprehensive income for the period	-	-	-	-	-	-	(1,327)	181,131	(2,386)	177,418
At 31 December 2018 (Unaudited)	133,882	302,585	-	20,720	10,293	93,892	2,737	237,515	287,843	1,089,467
At 30 June 2019 and 1 July 2019 (Audited)	133,882	302,585	-	20,720	10,293	98,756	9,270	111,269	228,976	915,751
Profit/ (loss) for the period	-	-	-	-	-	-	-	30,204	(1,421)	28,783
Other comprehensive income										
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	6,376	-	-	6,376
Total comprehensive income for the period	-	-	-	-	-	-	6,376	30,204	(1,421)	35,159
Capital reorganisation (note)	(127,627)	-	127,627	-	-	-	-	-	-	-
At 31 December 2019 (Unaudited)	6,255	302,585	127,627	20,720	10,293	98,756	15,646	141,473	227,555	950,910

* These reserve accounts comprise the consolidated reserves of approximately RMB717,100,000 (2QFY2019: RMB667,742,000) 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 2018 (Audited)	133,882	304,474	35,064	-	(11,822)	461,598
Loss for the year and total comprehensive income for the year	-	-	-	-	(820)	(820)
At 31 December 2018 (Unaudited)	133,882	304,474	35,064	-	(12,642)	460,778
At 1 July 2019 (Audited)	133,882	304,474	35,064	-	(15,245)	458,175
Loss for the year and total comprehensive income for the year	-	-	-	-	(959)	(959)
Exchange differences on translation of financial statements of foreign operations	-	-	-	2,334	-	2,334
Capital reorganisation (note)	(127,627)	-	127,627	-	-	-
At 31 December 2019 (Unaudited)	6,255	304,474	162,691	2,334	(16,204)	459,550

** These reserve accounts comprise the Company's reserves of approximately RMB453,295,000 (2QFY2019: RMB326,896,000) in the Company's statement of financial position.

Note

On 29 October 2019, the issued and paid-up share capital of the Company was reduced (the "Capital Reduction") from HK\$138,800,000 divided into 69,400,000 Shares with a par value of HK\$2.00 each, to HK\$6,940,000 divided into 69,400,000 Shares with a par value of HK\$0.10 each. The credit arising from the Capital Reduction in the sum of HK\$131,860,000 (equivalent to approximately RM127,627,000) was credited to the contributed surplus of the Company.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 corresponding period 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 listed as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding year.

There were no shares held as treasury shares and the Company does not have any share that may be issued on conversion of any outstanding convertibles as at 31 December 2019.

There were no subsidiary holdings as at 31 December 2019.

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 year.

	Group		Company	
	30/09/2019	30/06/2019	30/09/2019	30/06/2019
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, disposal, 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.

Not applicable

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 modifications 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:

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.

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 30 June 2019.

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.

The Group has adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 30 June 2019, except for the adoption for the new and amended International Financial Reporting Standards (IFRSs) which become effective on 1 July 2019.

The Group has adopted the IFRS 16 Leases effective for the financial period beginning 1 July 2019.

In particular, the Group is required to adopt IFRS 16 Leases from 1 January 2019. The Group has assessed the impact that initial application of IFRS 16 will have on its consolidated financial statements.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

For leases which the Group is a lessee, the Group is required to recognise new assets and liabilities for its portfolio of operating leases. The nature of expenses related to those leases has changed because the Group will recognise a depreciation charge for ROU assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the leases, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Adoption of IFRS 16 does not have significant impact to the financial statements of the Group for the current and comparative financial period.

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		Group	
	3 months ended		6 months ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Unaudited	Unaudited	Unaudited	Unaudited
Earnings per share				
(a) Basic (RMB dollars)	0.23	1.96	0.44	2.61
(b) Fully diluted (RMB dollars)	N/A	N/A	N/A	N/A

Note:

The calculation of basic earnings per ordinary share is based on the profit for the three months ended 31 December 2019 ("2QFY2020") and six months ended 31 December 2019 ("1HFY2020") attributable to owner of the Company of approximately RMB16,029,000 and RMB30,204,000, respectively (2QFY2019: RMB136,071,000 and 1HFY2019: RMB181,131,000) and on weighted average number of shares of 69,400,000 (2QFY2019 and 1HFY2019: 69,400,000) ordinary shares in issue during the said periods. Diluted earnings per share for the period ended 31 December 2019 and diluted loss per share for the period ended 31 December 2018 were not presented as there was no potential dilution of the Company'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	
	31/12/2019	30/06/2019	31/12/2019	30/06/2019
Net asset value per ordinary share based on issued share capital at the end of the period: (RMB dollars)	10.42	9.9	6.62	6.60

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 second quarter ended 31 December 2019 ("2QFY2020"), the Group's revenue was mainly derived from the sales of units in Ming Yue Shui An (明月水岸) and Hou De Zai Wu (厚德载物).

The Group recorded a revenue of RMB87.3 million in 2QFY2020, which was RMB570.3 million lower compared to RMB657.6 million in 2QFY2019. For 1HFY2020, the Group's revenue was RMB208.2 million which was RMB697.3 million lower compared to RMB905.4 million in 1HFY2019.

The decrease in revenue was attributed to the significant decrease in the number of residential units handed over in 1HFY2020. In 1HFY2019, there were 843 residential units of Shan Qing Shui Xiu being handed over, while the Group only handed over 18 residential units to customers in 1HFY2020.

Cost of sales

The Group's cost of sales in 2QFY2020 amounted to RMB62.9 million which was RMB417.9 million lower compared to RMB480.9 in 2QFY2019. For 1HFY2020, the Group's cost of sales amounted to RMB142.9 million which was RMB417.9 million lower compared to RMB619.6 million in 1HFY2019.

The decrease in cost of sales was mainly attributable to the decrease in number of residential units handed over to customers.

Gross profit

The Group's gross profit in 2QFY2020 amounted to RMB24.4 million, which was RMB152.4 million lower compared to RMB176.8 million in 2QFY2019. For 1HFY2020, the Group's gross profit amounted to RMB65.3 million, which was RMB220.5 million lower compared to RMB285.8 million in 1HFY2019. The decrease in gross profit was in tandem with the decrease in revenue.

Other income and gains

For 2QFY2020, the Group recorded other income and gains of RMB14.7 million, which was RMB5.1 million higher compared to RMB9.6 million in 2QFY2019. For 1HFY2020, the Group's other income and gains of RMB27.4 million which was RMB6.9 million higher compared to RMB20.5 million in 1HFY2019. Increase in other income was mainly due to the interest income derived from the loan made to Guangzhou Jiadi Xindu Development Co., Ltd..

Selling expenses

The Group recorded selling expenses of RMB3.1 million in 2QFY2020, which was RMB11.5 million lower compared to RMB14.6 million in 2QFY2019. For 1HFY2020, the Group's selling expenses were RMB7.3 million which were RMB24.4 million lower compared to RMB31.7 million in 1HFY2019. The decrease was mainly attributable to the decrease in sales commission to the agents and sales promotion expenses, which was in line with the decrease in revenue.

Administrative expenses

The Group recorded administrative expenses of RMB15.4 million in 2QFY2020, which were RMB0.6 million higher compared to RMB14.8 million in 2QFY2019. For 1HFY2020, the Group's administrative expenses of RMB29.7 million which were RMB0.3 million lower compared to

RMB30.0 million in 1HFY2019. Included in the administrative expenses were mainly salaries and related costs, travelling and transportation costs and listing expenses.

Other operating expenses

The Group recorded other operating expenses of RMB4.0 million in 2QFY2020, which were RMB3.2 million lower compared to RMB7.2 million in 2QFY2019. For 1HFY2020, the Group recorded other operating expenses of RMB14.7 million which were RMB1.7 million lower compared to RMB16.5 million in 1HFY2019.

These comprise the direct costs of the operation of Batai Mountain National Park and other taxes including urban construction tax and duties charged by the local government amounted to RMB5.5 million and RMB6.1 million, respectively.

Finance costs

The finance costs were mainly interest expenses for other borrowing for general operating purpose. The finance costs were not capitalized in properties held under development.

Income tax expense

The Group recorded income tax expense of RMB0.5 million in 2QFY2020, which was RMB13.2 million lower compared to RMB13.7 million in 2QFY2019. For 1HFY2020, the Group recorded income tax expense of RMB10.8 million which was RMB37.4 million lower compared to RMB48.2 million in 1HFY2019. The amount mainly represented the provision of land appreciation tax and enterprise income tax during the period.

Profit for the period

Net profit attributable to owners of the Company of RMB16.0 million was recorded for 1HFY2020, compared to RMB136.1 million for 1HFY2019. The decrease was mainly due to the reasons explained above.

Total comprehensive income for the period

Total comprehensive income attributable to owners of the Company of RMB 36.6 million was recorded for 1HFY2020, compared to RMB179.8 million for 1HFY2019. Included in the comprehensive income attributable to owners of the Company is a gain on exchange differences on translation of financial statements of foreign operations of RMB 6.4 million for 1HFY2020. The gain on exchange differences was due to the difference in historical rate and spot rate of share capital during the capital reorganisation.

(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 Group Financial Position as at 31 December 2019

Current assets

As at 31 December 2019, the Group's current assets stood at RMB2,510.7 million, representing a decrease of RMB74.7 million compared to RMB2,585.4 million as at 30 June 2019.

The decrease was due to the net effect of (i) increase in properties held under development by RMB146.2 million due to the Group's Tonghua project, Hou De Zai Wu; (ii) decrease in property held for sales by RMB140.0 million; (iii) decrease in cash and bank balances of RMB72.7 million.

The loan receivables which amounting to RMB105.4 million comprised loans made to Guangzhou Jiadi Xindu Development Co., Ltd. ("Jiadi Xindu") which are repayable within 12 months and accrued interest receivable.

Non-current assets

As at 31 December 2019, the Group had non-current assets of RMB903.4 million, representing a slight decrease of RMB3.2 million compared to RMB906.6 million as at 30 June 2019. The non-current assets mainly consist of i) a balance deposit of RMB120.0 million for the possible acquisition of an equity interest in a company that holds the development rights to a 32,566.64 sqm. land parcel in Huadu District of Guangzhou; ii) non-current portion of loan receivables of RMB39.8 million made to Jiadi Xindu and Kaiping Qingshi Auto Parts Co., Limited.; and iii) Investment properties of RMB 587.6 million.

Current liabilities

As at 31 December 2019, the Group's current liabilities stood at RMB1,761.7 million, representing a decrease of RMB314.8 million, compared to RMB2,076.5 million as at 30 June 2019.

The decrease in balance was due mainly to the net effect of (i) increase in accruals, deposits received and other payables by RMB28.3 million; and (ii) increase in receipt in advance of RMB40.9 million from buyers of the Group's Huadu project, Shan Qing Shui Xiu; and (iii) renewal of a bank borrowing of RMB 200.0 million which was reclassified as long-term bank borrowing and repayment of bank and other borrowings amounting to RMB 100.8 million during the period.

Non-current liabilities

As at 31 December 2019, the Group's non-current liabilities stood at RMB701.5 million, representing an increase of RMB201.7 million, compared to RMB499.8 million as at 30 June 2019. The increase in balance was due to the renewal of a bank borrowing which was reclassified as long-term borrowing during the period.

Total equity

As at 31 December 2019, the Group's equity stood at RMB950.9 million, representing an increase of RMB35.1 million, compared to RMB915.8 million as at 30 June 2019. This was due mainly to the profit for the period under review.

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.

The residential prices in China had maintained a steady growth in December 2019. According to the data released by National Bureau of Statistics of China released on 16 January 2020, the price index of new residential buildings in the 70 large and medium-sized cities in China rose by 6.6% year-on-year.

However, the Group observed that the recent outbreak of the coronavirus has intensified and it may pose a new downside risk to China's economy. Property sales of the Group are expected to slow significantly in the short term as potential buyers may delay the search for new flats..

The Group will monitor the situation closely and continue to maintain its prudent business strategy.

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 2019 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 2019	1,443	478	950	3,544
Percentage of handed over	54%	67%	67%	63%
Pre-sale units not handed over to buyers as at 31 December 2019				
- Residential unit	243	2	6	472
- Carpark unit	12	12	1	6
- Commercial unit	N/A	N/A	-	19
Pre-sale value received not handed over to buyers as at 31 December 2019	RMB201.8 million	RMB3.1 million	RMB2.7 million	RMB312.9 million

The Board of Directors of China Yuanbang Property Holdings Limited (the "Company", and together with its subsidiaries, the "Group"), wishes to update Shareholders that following recent amendments to Rule 705(2) of the SGX-ST Listing Manual which came into effect on 7 February 2020, the Company will be ceasing quarterly reporting with effect from 7 February 2020. The board believes that half-yearly financial reporting cycle, observation of strengthened disclosure requirements with regular business updates are sufficient to keep the market informed of the Company's state of affairs.

Accordingly, the Company's next financial results release shall be in respect of the full year ending 30 June 2020, which will be announced via SGXNet on or before 29 August 2020.

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

N/A

(d) Books closure date

N/A

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the second quarter results ended 31 December 2019 as the Group wishes to reserve 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 2QFY2020 and 1HFY2020 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).

BY ORDER OF THE BOARD

Lin Yeju
Non-Executive Chairman

14 February 2019