



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

**FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR SIX MONTHS AND FULL YEAR ENDED 30 JUNE 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			Group 12 months ended		
		30/6/2023 RMB'000	30/6/2022 RMB'000	% Changes	30/6/2023 RMB'000	30/6/2022 RMB'000	% Changes
<b>Revenue</b>	3	<b>40,343</b>	9,586	320.9	<b>239,624</b>	79,180	202.6
Cost of sales		<b>(38,253)</b>	(6,530)	485.8	<b>(172,517)</b>	(50,786)	239.7
<b>Gross profit</b>		<b>2,090</b>	3,056	(31.6)	<b>67,107</b>	28,394	136.3
Other income and gains		<b>16,114</b>	15,767	2.2	<b>32,312</b>	36,656	(11.9)
Fair value adjustments on investment properties		<b>(44,680)</b>	(14,900)	199.9	<b>(44,680)</b>	(14,900)	199.9
Selling expenses		<b>(6,698)</b>	(11,073)	(39.5)	<b>(12,759)</b>	(16,845)	(24.3)
Administrative expenses		<b>(29,760)</b>	(25,473)	16.8	<b>(56,030)</b>	(54,548)	2.7
Other operating expenses		<b>(105,434)</b>	(50,986)	106.8	<b>(111,768)</b>	(57,693)	93.7
<b>Operating loss</b>		<b>(168,368)</b>	<b>(83,609)</b>	101.4	<b>(125,818)</b>	<b>(78,936)</b>	59.4
Finance costs		<b>(33,444)</b>	(19,406)	72.3	<b>(36,028)</b>	(20,557)	75.3
<b>Loss before taxation</b>	5	<b>(201,812)</b>	(103,015)	95.9	<b>(161,846)</b>	(99,493)	62.7
Income tax expense	6	<b>(60,977)</b>	(25,510)	139.0	<b>(72,272)</b>	(28,167)	156.6
<b>Loss for the year</b>		<b>(262,789)</b>	(128,525)	104.5	<b>(234,118)</b>	(127,660)	83.4
<b>Other comprehensive loss, net of tax items, that may be reclassified subsequently to profit or loss:</b>							
Exchange differences on translation of financial statements of foreign operations		<b>(10,930)</b>	(2,798)	290.6	<b>(8,950)</b>	(943)	849.1
<b>Total comprehensive loss for the year</b>		<b>(273,719)</b>	<b>(131,323)</b>	108.4	<b>(243,068)</b>	<b>(128,603)</b>	89.0
<b>Loss attributable to:</b>							
Owners of the Company		<b>(253,360)</b>	(102,643)	146.8	<b>(210,970)</b>	(100,090)	110.8
Non-controlling interests		<b>(15,429)</b>	(25,882)	(40.4)	<b>(23,148)</b>	(27,570)	(16.0)
		<b>(268,789)</b>	<b>(128,525)</b>	109.1	<b>(234,118)</b>	<b>(127,660)</b>	83.4
<b>Total comprehensive loss attributable to:</b>							
Owners of the Company		<b>(264,290)</b>	(105,441)	150.7	<b>(219,920)</b>	(101,033)	117.7
Non-controlling interests		<b>(15,429)</b>	(25,882)	(40.4)	<b>(23,148)</b>	(27,570)	(16.0)
		<b>(279,719)</b>	<b>(131,323)</b>	113.0	<b>(243,068)</b>	<b>(128,603)</b>	89.0
<b>Loss per share for loss for the period attributable to the owners of the Company during the year:</b>							
Basic and diluted (RMB dollar)		<b>-3.65</b>	-1.48		<b>-3.04</b>	-1.44	

**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	
		30/6/2023 RMB'000	30/6/2022 RMB'000	30/6/2023 RMB'000	30/6/2022 RMB'000
<b>ASSETS AND LIABILITIES</b>					
<b>Non-current assets</b>					
Interests in subsidiaries		-	-	134,381	134,381
Property, plant and equipment	7	94,488	100,242	-	-
Investment properties	8	510,820	555,500	-	-
Land use rights	9	8,658	8,945	-	-
Deposit paid		111,228	114,888	-	-
Loan receivables	10	11,549	15,600	-	-
Deferred tax assets		68,704	68,704	-	-
		<b>805,447</b>	<b>863,879</b>	<b>134,381</b>	<b>134,381</b>
<b>Current assets</b>					
Properties held under development	11	343,991	450,903	-	-
Properties held for sale	12	1,115,476	1,072,034	-	-
Accounts receivable		27,225	27,387	-	-
Prepayments, deposits paid and other receivables		471,431	493,232	1,542	1,422
Due from subsidiaries		-	-	335,419	326,406
Contract assets		32,585	32,585	-	-
Loan receivables	10	37,061	43,225	-	-
Cash and bank balances		32,097	33,138	-	-
		<b>2,059,866</b>	<b>2,152,504</b>	<b>336,961</b>	<b>327,828</b>
<b>Current liabilities</b>					
Accounts payable		454,990	330,684	-	-
Contract liabilities		707,473	607,603	-	-
Accruals, deposits received and other payables		81,463	85,254	3,566	3,184
Interest-bearing bank and other borrowings	13	174,810	396,372	-	-
Income tax payable		309,464	239,832	-	-
		<b>1,728,200</b>	<b>1,659,745</b>	<b>3,566</b>	<b>3,184</b>
<b>Net current assets</b>		<b>331,666</b>	<b>492,759</b>	<b>333,395</b>	<b>324,644</b>
<b>Total assets less current liabilities</b>		<b>1,137,113</b>	<b>1,356,638</b>	<b>467,776</b>	<b>459,025</b>
<b>Non-current liabilities</b>					
Interest-bearing bank and other borrowings	13	339,228	304,515	-	-
Deferred tax liabilities		120,783	131,953	-	-
		<b>460,011</b>	<b>436,468</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>677,102</b>	<b>920,170</b>	<b>467,776</b>	<b>459,025</b>
<b>EQUITY</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		6,255	6,255	6,255	6,255
Reserves		470,597	690,517	461,521	452,770
		<b>476,852</b>	<b>696,772</b>	<b>467,776</b>	<b>459,025</b>
<b>Non-controlling interests</b>		<b>200,250</b>	<b>223,398</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>677,102</b>	<b>920,170</b>	<b>467,776</b>	<b>459,025</b>

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

As at 30/06/2023		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
174,810	-	396,372	-

**Amount repayable after one year**

As at 30/06/2023		As at 30/06/2022	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
310,350	28,878	277,900	26,615

**Details of any collateral**

As at 30 June 2023, the Group's interest-bearing borrowings from banks and other financial institutions of RMB277.5 million (2022: RMB314.9 million) and other borrowings of RMB236.5 million (2022: RMB386.0 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 RMB118.1 million, RMB145.9 million, RMB1.0 million, RMB2.8million, RMB395.9 million, RMB38.1 million (2022: RMB204.1 million, RMB220.3 million, RMB1.0 million, RMB18.4million, RMB477.2 million, RMB40.7million), 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	
	30/6/2023 RMB'000	30/6/2022 RMB'000
<b>Cash flows from operating activities</b>		
Loss before income taxation	(161,846)	(99,493)
Adjustments for:		
Amortisation of land use rights	287	287
Depreciation of property, plant and equipment	5,607	5,441
Fair value adjustments on investment properties	44,680	14,900
Interest expense	36,028	20,557
Interest income	(8,783)	(10,506)
(Gain)/ loss on disposals of property, plant and equipment	(296)	199
Allowance for write down of properties	15,324	-
Impairment loss on other receivables	65,348	45,343
Impairment loss on loan receivables	18,871	3,115
Operating profit/ (loss) before working capital changes	15,220	(20,157)
Decrease/ (increase) in properties held under development	94,735	(199,235)
(Increase)/ decrease in properties held for sale	(194,124)	48,500
(Decrease)/ increase in account and bill receivables	162	(341)
Increase in prepayments, deposits paid and other receivables	(39,887)	(37,686)
Increase/ (decrease) in account payables	124,306	(17,285)
Increase in contract liabilities	99,870	208,279
Increase in accruals, deposits received and other payables	5,871	32,796
Cash generated from operations	106,153	14,871
Income taxes paid	(32,422)	(38,609)
Interest received	127	4,163
<i>Net cash generated from/ (used in) operating activities</i>	<b>73,858</b>	<b>(19,575)</b>
<b>Cash flows from investing activities</b>		
Decrease in restricted bank deposits	10,055	11,673
Repayment in loan receivables	-	4,774
Purchases of property, plant and equipment	(120)	(939)
Proceeds from disposal of property, plant and equipment	563	842
<i>Net cash generated from investing activities</i>	<b>10,498</b>	<b>16,350</b>
<b>Cash flows from financing activities</b>		
Interest paid	(24,930)	(20,557)
Proceeds from bank and other borrowings	-	78,000
Repayments of bank and other borrowings	(50,412)	(90,876)
<i>Net cash used in financing activities</i>	<b>(75,342)</b>	<b>(33,433)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>9,014</b>	<b>(36,658)</b>
<b>Effect on exchange translation</b>	<b>-</b>	<b>1</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>18,896</b>	<b>55,553</b>
<b>Cash and cash equivalents at end of year</b>	<b>27,910</b>	<b>18,896</b>

	Group	
	Year ended	
	30/6/2023	30/6/2022
	RMB'000	RMB'000
	Unaudited	Unaudited
Cash and bank balances	32,097	33,138
Less: Restricted bank deposits	(4,187)	(14,242)
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>	<b>27,910</b>	<b>18,896</b>

**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
<b>At 1 July 2021 (Audited)</b>	6,255	302,585	31,547	20,720	127,627	10,293	109,253	20,230	169,295	250,968	1,048,773
Loss for the year	-	-	-	-	-	-	-	-	(100,090)	(27,570)	(127,660)
Other comprehensive income											
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(943)	-	-	(943)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(943)	(100,090)	(27,570)	(128,603)
Transfer to statutory reserve	-	-	-	-	-	-	1,241	-	(1,241)	-	-
<b>At 30 June 2022 (Unaudited)</b>	6,255	302,585	31,547	20,720	127,627	10,293	110,494	19,287	67,964	223,398	920,170
<b>At 1 July 2022 (Audited)</b>	6,255	302,585	31,547	20,720	127,627	10,293	110,494	19,287	67,964	223,398	920,170
Loss for the year	-	-	-	-	-	-	-	-	(210,970)	(23,148)	(234,118)
Other comprehensive income											
- Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	(8,950)	-	-	(8,950)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(8,950)	(210,970)	(23,148)	(243,068)
Transfer to statutory reserve	-	-	-	-	-	-	891	-	(891)	-	-
<b>At 30 June 2023 (Unaudited)</b>	6,255	302,585	31,547	20,720	127,627	10,293	111,385	10,337	(143,897)	200,250	677,102

\* These reserve accounts comprise the consolidated reserves of approximately RMB470.6 million (2022: RMB690.5 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 2021 (Audited)	6,255	304,474	162,691	5,570	(19,122)	459,868
Loss for the year and total comprehensive loss for the year	-	-	-	-	(2,434)	(2,434)
Exchange differences on translation of financial statements of foreign operations	-	-	-	1,591	-	1,591
<b>At 30 June 2022 (Audited)</b>	<b>6,255</b>	<b>304,474</b>	<b>162,691</b>	<b>7,161</b>	<b>(21,556)</b>	<b>459,025</b>
At 1 July 2022 (Audited)	6,255	304,474	162,691	7,161	(21,556)	459,025
Loss for the year and total comprehensive loss for the year	-	-	-	-	(2,200)	(2,200)
Exchange differences on translation of financial statements of foreign operations	-	-	-	10,951	-	10,951
<b>At 30 June 2023 (Unaudited)</b>	<b>6,255</b>	<b>304,474</b>	<b>162,691</b>	<b>18,112</b>	<b>(23,756)</b>	<b>467,776</b>

\*\* These reserve accounts comprise the Company's reserves of approximately RMB461.5 million (2022: RMB452.8 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 9<sup>th</sup> 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 and financial year ended 30 June 2023 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 2022.

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 and financial year ended 30 June 2023, 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 year ended 30 June 2023.

### (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 30 June 2023 were approximately RMB344.0 million and RMB1,115.5 million (2022: RMB450.9 million and RMB1,072.0 million), respectively

#### *ii. Investment properties*

Investment properties are stated at fair value as estimated by 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 30 June 2023 are RMB 48.6 million and RMB582.7 million, respectively (2022: RMB 58.8 million and RMB628.1 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 year presented, the 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 years ended 30 June 2023 and 30 June 2022.

#### N3.1. Breakdown of revenue

	<b>Group</b>		<b>Group</b>	
	<u>6 months ended</u>		<u>12 months ended</u>	
	<b>30/6/2023</b>	<b>30/6/2022</b>	<b>30/6/2023</b>	<b>30/6/2022</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Revenue</b>				
<i>Recognised at a point in time, derived from the PRC</i>				
Proceeds from sale of properties held for sale	40,343	9,586	239,624	79,180

#### 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 30 June 2023 and 2022:

	<b>Group</b>		<b>Company</b>	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Financial assets</u></b>				
At amortised cost				
- Accounts receivables, refundable deposits paid and other receivables	609,884	593,868	1,542	1,422
- Due from subsidiaries	-	-	335,419	326,406
- Loan receivables	48,610	58,825	-	-
- Cash and bank balances	32,097	33,138	-	-
	<u>690,591</u>	<u>685,831</u>	<u>336,961</u>	<u>327,828</u>
<b><u>Financial liabilities</u></b>				
At amortised cost				
- Accounts payable, accruals, deposits received and other payables	536,453	415,938	3,566	3,184
- Interest-bearing bank and other borrowings	514,038	700,887	-	-
	<u>1,050,491</u>	<u>1,116,825</u>	<u>3,566</u>	<u>3,184</u>

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

	<b>Group</b>		<b>Group</b>	
	<b>6 months ended</b>		<b>12 months ended</b>	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Income</u></b>				
Interest income from loan receivables	7,304	5,138	11,631	10,343
Admission ticket and in-park recreation income	1,126	4,617	3,299	6,963
Rental income from investment properties	9,282	8,302	16,031	15,212
<b><u>Expenses</u></b>				
Cost of sales				
- Cost of properties held for sale	48,989	10,075	170,352	48,331
- Cost of construction contract	-	-	-	-
	48,989	10,075	177,253	48,331
Depreciation of property, plant and equipment				
Staff costs, including Directors' remuneration	1,659	2,062	5,607	5,877
- Wages and salaries, allowances and benefits in kind	9,769	8,600	22,458	24,014
- Retirement scheme contribution	1,722	548	3,247	3,115
Less: amount capitalised in				
- Properties held under development	(165)	(70)	(1,028)	(171)
	11,326	9,078	24,677	26,958

**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:

	<b>Group</b>		<b>Group</b>	
	<u>6 months ended</u>		<u>12 months ended</u>	
	<u>30/6/2023</u>	<u>30/6/2022</u>	<u>30/6/2023</u>	<u>30/6/2022</u>
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax – PRC				
- Enterprise Income Tax	36,709	(1,425)	46,259	406
- Land Appreciation Tax	35,437	58,631	37,182	59,457
	72,146	57,206	83,441	59,873
Deferred tax – PRC	(11,169)	(31,706)	(11,169)	(31,706)
Total income tax expense	<u>60,977</u>	<u>25,500</u>	<u>72,272</u>	<u>28,167</u>

**N7. Property, plant and equipment**

During the financial year ended 30 June 2023, the Group acquired property, plant and equipment with aggregate cost RMB120,000 (2022: RMB939,000). The Group disposed of property, plant and equipment for RMB267,000 (2022: RMB1,041,000).

**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.

	<b>Group</b>	
	<u>30/6/2023</u>	<u>30/6/2022</u>
	RMB'000	RMB'000
Carrying amount at beginning of the year	555,500	570,400
Fair value adjustments	(44,680)	(14,900)
Carrying amount at end of the year	<u>510,820</u>	<u>555,500</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.

**N9. Land Use Rights**

	<b>Group</b>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
At the beginning of the year		
Cost	12,316	12,316
Accumulated amortisation	(3,371)	(3,084)
Net carrying amount	<u>8,945</u>	<u>9,232</u>
For the year ended		
Opening net carrying amount	8,945	9,232
Amortisation	(287)	(287)
Closing net carrying amount	<u>8,658</u>	<u>8,945</u>
At the end of the year		
Cost	12,316	12,316
Accumulated amortisation	(3,658)	(3,371)
Net carrying amount	<u>8,658</u>	<u>8,945</u>

Land use rights represented leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2072 (2022: 2042 to 2072).

At 30 June 2023, 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 2024.

**N10. Loan receivables**

	<b>Group</b>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Fixed-rate loan receivables	95,370	86,713
Less: Allowance for impairment	(46,760)	(27,888)
Net amount	<u>48,610</u>	<u>58,825</u>
Analysed as:		
Current	32,010	43,225
Non-current	16,600	15,600
	<u>48,610</u>	<u>58,825</u>

On July 1, 2023, an agreement was reached between the Group and Kaiping Qingshi to extend repayment of a RMB35.9 million loan over 18 months, secured by project sales and a RMB40 million commercial unit pledge. The Jiadi Xindu loan was fully settled on the same date.

**N11. Properties held under Development**

	<b>Group</b>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Net carrying amount	343,991	450,903

Leasehold interests in land are located in the PRC and have lease terms expiring from 2045 to 2082 (2022: 2045 to 2082).

**N12. Properties held for Sale**

	<b>Group</b>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Net carrying amount	1,115,476	1,072,034

Properties held for sale included leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2081 (2022: 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:

	<b>Group</b>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Loans from banks and other financial institutions – secured	277,470	314,872
Other loans – secured	207,690	359,400
Other loans – unsecured	28,878	26,615
Total bank and other borrowings	514,038	700,887

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 30 June 2023 and as at 30 June 2022.

**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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
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		Group	
	6 months ended		12 months ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022
Net loss attributable to equity holders of the Company(RMB''000)	<b>(253,360)</b>	(102,643)	<b>(210,970)</b>	(100,090)
Weighted average number of shares outstanding ('000)	<b>69,400</b>	69,400	<b>69,400</b>	69,400
(a) Basic (RMB dollar)	<b>-3.65</b>	-1.48	<b>-3.04</b>	-1.44
(b) Fully diluted (RMB dollar)	<b>N/A</b>	N/A	<b>N/A</b>	N/A

Note:

Diluted earnings per ordinary share for the 6 months and financial year ended 30 June 2023 and 30 June 2022 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	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Net asset value per ordinary share based on issued share capital at the end of the year (RMB dollars)	6.87	10.04	6.74	6.61

- 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**

The Group's revenue for the financial year ended 30 June 2023 ("FY2023") was approximately RMB239.6 million compared to approximately RMB79.2 million in FY2022, an increase of RMB160.4 million.

The increase in revenue was attributed to the increase in the number of residential units handed over in FY2023. The Group handed over 59 residential units of Shan Qing Shui Xiu in FY2023, compared to 6 residential units of Shan Qing Shui Xiu handed over in FY2022. The Group also handed over a higher number of 46 residential units of Hou De Zai Wu in FY2023 compared to 7 residential units in FY2022.

##### **Cost of sales**

The Group recorded cost of sales of RMB172.5 million for FY2023 which was RMB121.7 million higher compared to RMB50.8 million in FY2022.

##### **Gross profit**

The Group recorded a higher gross profit of RMB67.1 million in FY2023 which was RMB38.7 million higher compared to RMB28.4 million in FY2022 due to higher revenue achieved in FY2023. The gross profit margin for FY2023 decreased to 28.0%, compared to the 35.9% in FY2022. This decline is primarily attributed to the decrease in the price of residential units in the second half of FY2023. The recent decrease in the price of these units directly impacted the overall profitability, leading to a reduction in the overall gross profit margin.

In the second half of FY2023, the Group experienced a significant drop in gross profit margin. The reason for the decrease was mainly due to the sharp decline in Ren Jie Di Ling's gross profit for FY2023 was primarily attributed to the general decrease in house prices in Shandong province. The Group had offered substantial sales discounts to buyers as a means to stimulate sales and generate funds in the short term. This aggressive discounting strategy, while temporarily boosting sales, ultimately lead to a decrease in the gross profit margin.

Additionally, to further enhance sales in the market downturn, the Group reduced its unit prices for car parks in completed projects such as Aqualake City, Ming Yue Xing Hui and Ming Yue Jin An. Although this pricing adjustment may have contributed to increased sales volume, it also had the adverse effect of negatively impacting the gross profit margin. The lower gross profit margin in the second half of FY2023 was a result of the Group's strategies in order to navigate challenging market conditions and maintain liquidity.

##### **Other income and gains**

The Group recorded other income and gains of RMB32.3 million for FY2023 which was RMB4.4 million lower compared to RMB36.7 million in FY2022. The decrease was mainly due to decreases in admission ticket and in-park



recreation income. This decline is primarily a result of the economic downturn and the effects of the COVID-19 situation. These factors have greatly affected people's willingness to travel.

#### **Fair value adjustments on investment properties**

The Group recorded a fair value adjustment loss of RMB44.7 million on the Group's investment properties in FY2023, compared to RMB14.9 million in FY2022. The fair value adjustment was determined based on an independent property valuation report dated 25 August 2023 which was carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. The decline in fair value attributed to two key factors. Firstly, the downturn in the Chinese economy exerted pressure on property valuations. Secondly, a reduction in rental income due to re-negotiated lease contracts, contributing to the overall decrease in the investment properties' fair value.

#### **Selling expenses**

In FY2023, the Group recorded selling expenses of RMB12.8 million, a decrease of RMB4.0 million when compared to RMB16.8 million in FY2022. This decrease was primarily attributable to decreased commissions paid due to fewer car park unit sales during the year. The Group had delivered 19 Shan Qing Shui Xiu car parks, in contrast to 159 units handed over in FY2022.

#### **Administrative expenses**

The Group recorded administrative expenses of RMB56.0 million for FY2023 which were RMB1.5 million slightly higher compared to RMB54.5 million in FY2022. Included in the administrative expenses were mainly salaries and related costs, travelling and transportation costs and professional fees. The administrative expenses for FY2023 in relation to FY2022 shows a consistent spending pattern, which aligned with the Group's cost control policy.

#### **Other operating expenses**

The Group recorded other operating expenses of RMB111.8 million for FY2023 which were RMB54.1 million higher compared to RMB57.7 million in FY2022. The expenses mainly comprised:

- (i) direct expenses such as staff cost, repair and maintenance, amounting to RMB4.4 million (FY2022: RMB6.8 million) in relation to the operation of Batai Mountain National Park. The decrease in direct expenses was in line with the decrease in admission ticket income; and
- (ii) The Group has recorded an impairment on property held under development of RMB15.3 million, primarily attributed to the recent decline in land prices in the Guangzhou region.
- (iii) the Group incurred an impairment loss amounting to RMB84.2 million, a significant increase compared to the impairment loss of RMB48.5 million recorded in FY2022. This impairment pertains to the Group's loan and other receivables, and its recognition was a result of a comprehensive assessment conducted using the Expected Credit Loss model.

The impairment mainly comprised the following components:

1) an impairment of RMB20.2 million has been recognized in connection with the building reimbursement from the Tonghua Government. The Tonghua Government had rejected a RMB20.2 million reimbursement request for a building project. This is the remaining amount of a total reimbursement of RMB59.5 million, for details, please refer to the announcement dated 5 September 2023. In FY2022, RMB39.3 million of the reimbursement request was rejected and fully impaired. The remaining RMB20.2 million was pending approval from the government. The recent rejection of this amount has resulted in the impairment of the RMB20.2 million in other receivables.

2) the remaining impairment was attributable to the Group's loan and other receivables. The increase in impairment in this category is primarily attributed to the prevailing downturn in the Chinese real estate market. The Chinese real estate market's current downturn can impact other receivables as real estate-related businesses face financial stress, potentially leading to delayed or defaulted payments. The Group's prudential assessment indicates an increasing likelihood of default by counterparties due to the economic challenges, thereby accentuating the inherent credit risk associated with the outstanding receivables portfolio.

#### **Finance costs**

For FY2023, the Group recorded a total finance cost of RMB59.7 million (FY2022: RMB74.1 million) of which RMB23.6 million (FY2022: RMB56.6 million) was capitalised for property development projects and RMB36.0 million

(FY2022: RMB17.5 million) was used for general operating purpose. Total finance cost was RMB18.5 million lower compared to FY2022.

#### **Income tax expense**

The breakdown of income tax expense is as follows:

	FY2023 RMB'000	FY2022 RMB'000
Current income tax PRC		
- Enterprise income tax	46,259	405
- Land appreciation tax	37,182	59,467
	<u>83,441</u>	<u>59,872</u>
Deferred tax - PRC	(11,160)	(31,705)
Total income tax expense	<u>72,272</u>	<u>28,167</u>

The Group recorded an income tax expense of RMB72.3 million for FY2023, which was RMB44.1 million higher compared to RMB28.2 million in FY2022. The amount mainly comprises the provision of PRC enterprise income tax (“EIT”) of RMB46.3 million, land appreciation tax (“LAT”) of RMB37.2 million which was partially offset against deferred tax credit of RMB11.2 million provided for the year.

#### **Loss for the year**

As a result of the above factors, the Group attained a loss before tax in FY2023 of RMB161.8 million, against a loss of RMB99.5 million in FY2022. Further, the Group recorded a net loss of RMB210.6 million in FY2023 compared to a net profit of RMB127.7 million in FY2022.

### **(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 30 June 2023**

##### **Non-current assets**

As at 30 June 2023, the Group had non-current assets of RMB805.4 million, representing a decrease of RMB58.5 million compared to RMB863.9 million as at 30 June 2022. The decrease was mainly due to :

- i) decrease in investment properties of RMB44.7 million arising from the fair value adjustments;
- ii) decrease in property, plant and equipment of RMB5.7 million as a result of depreciation expense; and
- iii) decrease in deposit paid of RMB3.7 million due to impairment loss recognized according to Expected Credit Loss model.

##### **Current assets**

As at 30 June 2023, the Group’s current assets stood at RMB2,059.9 million, representing a decrease of RMB92.6 million compared to RMB2,152.5 million as at 30 June 2022. The decrease was mainly attributable to a decrease in properties held under development of RMB106.9 million, (b) a decrease in loan receivable of RMB6.1 million due to impairment provided during the year; and (c) a decrease in prepayments, deposits paid and other receivables of RMB 21.8 million. Such decrease was offset by an increase in properties held for sale by RMB43.5 million.

On 1 July 2023, the Group and Kaiping Qingshi had reached an agreement to extend the repayment of the outstanding loan amount of RMB35.9 million. This will be done over the course of the next 18 months and will be secured by the sales proceeds from Kaiping Qingshi’s project as well as a pledge of 1,880 sqm commercial units valued at

approximately RMB40 million. Regarding the Jiadi Xindu loan, it was subsequently settled all outstanding balance on 1 July 2023.

### **Current liabilities**

As at 30 June 2023, the Group's current liabilities stood at RMB1,728.2 million, representing an increase of RMB68.5 million, compared to RMB1,659.7 million as at 30 June 2022. The increase in current liabilities was mainly due to the net effect of:

- (i) an increase in contract liabilities by RMB99.9 million due to increase in pre-sale units of Shan Qing Shu Xiu and Hou De Zai Wu that were not handed over to buyers as a result of the shutdown of the project sales centers;
- (ii) an increase in accounts payable by RMB124.3 million which was due to increase in construction cost payable; and
- (iv) a decrease of interest-bearing bank and other borrowings by RMB221.6 million due to repayment of loans during the year.
- (v) an increase in income tax payable of RMB69.7, due to accrual of Land Appreciation Tax payable.

### **Non-current liabilities**

As at 30 June 2023, the Group's non-current liabilities stood at RMB460.0 million, representing an increase of RMB23.5 million, compared to RMB436.5 million as at 30 June 2022. This was mainly due to renewal of certain current portion of borrowings during the year and was reclassified as long-term loan.

### **Total equity**

As at 30 June 2023, the equity attributable to owners of the Company decreased by RMB 219.9 million from RMB 476.9 million as at 30 June 2022 to RMB696.8 million as at 30 June 2023. The decrease in equity attributable to owners of the Company was mainly due to the net loss recorded during the financial year.

### **Cash flows analysis**

In FY2023, net cash generated from operating activities was approximately RMB106.2 million, comprising operating cash flow before working capital changes of RMB15.2 million, net working capital inflow of RMB90.9 million and net income taxes paid of RMB32.4 million. Despite the increase in properties held under for sale of RMB194.1 million and increase in prepayments, deposits paid and other receivables of RMB39.9 million, the Group recorded a net working capital inflow of RMB90.9 million mainly due to an increase in contract liabilities of RMB99.9 million, increase in account payables of RMB124.3 million and increase in property held under development of RMB94.7 million.

In FY2023, net cash generated from investing activities of RMB10.5 million was mainly due to the decrease in cash use for restricted cash of RMB10.1 million.

In FY2022, net cash used in financing activities of RMB75.3 million was mainly due to the net cash used in repayment of bank and other borrowings of RMB50.4 million and payment of interest of RMB24.9 million.

As a result, the Group has a cash and cash equivalent of RMB32.1 million as at the end of FY2023.

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

The Group's FY2023 results are in line with its Profit Warning Announcement released to SGX-ST on 21 August 2023.

## **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.**

According to the data released by the National Bureau of Statistics of China, although the average prices of new homes in the China's 70 major cities remained steady in June 2023, the average prices of new homes in Guangzhou has experienced a decline of 0.8% during the same period. In conjunction with this, there was a significant drop of 28.1% in property sales measured by floor area when compared to the previous year.

The challenges faced by China's real estate industry have been exacerbated by the difficulties experienced by the largest property developer in the China. The developer has encountered issues in meeting its international bond payment obligations. This situation has the potential to create ripple effects impacting other developers and potentially causing harm to the broader economy.

In view of negative sentiments and turmoil in the China real estate market, Management expects the sentiments of residential property to remain weak in the short to medium term. As such, the Group is exploring the development of another tourism property project to mitigate against the current headwinds in the residential property sector.

Details of the occupancy and take-up rates of the Group's major existing projects which had obtained pre-sale certificates as at 30 June 2023 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 30 June 2023	1,977	518	1,043	4,691
Percentage of handed over	74%	73%	74%	83%
Pre-sale units not handed over to buyers as at 30 June 2023				
- Residential unit	114	-	7	232
- Carpark unit	80	9	-	20
- Commercial unit	N/A	N/A	-	25
Pre-sale value received not handed over to buyers as at 30 June 2023	RMB135.3 million	RMB2.5 million	RMB7.3 million	RMB546.7 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 full year results ended 30 June 2023 as the Group wishes to conserve its cash to meet the operational and financial requirements of the Group.

**PART II -ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

See paragraph N3 of the "Notes to the condensed interim consolidated financial statements" above.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

See item 8 above.

**15. A breakdown of sales.**

See paragraph N3.1 of the "Notes to the condensed interim consolidated financial statements" above.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

**17. 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 any IPT mandate.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Lin Yeju	55	Spouse of Mr Chen Jianfeng, Substantial Shareholder.	Non-Executive Director and Chairman of the Board - 2015	Nil
Chen Jianfeng	61	Spouse of Mdm Lin Yeju, Director and Substantial shareholder	Director and Legal Representative of Guangdong Yuanbang Real Estate Development Co Ltd ("GDYB"), a wholly-owned subsidiary of the Group – 2020  *GDYB is considered a principal subsidiary of the Group	Nil

**19. 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 officers under Rule 720(1).

BY ORDER OF THE BOARD

**Lin Yeju**  
Non-Executive Chairman

29 August 2023