



ASX/Media Release: Sydney, Australia. 31 August, 2020.

## Appendix 4D and Half Year Report

Boyuan Holdings Limited (**Company**) wishes to advise that it is relying on the ASX Class Waiver dated 16 June 2020 and *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451 (ASIC Relief)* to extend the lodgment date for its reviewed half year reports. Due to alternative work arrangements and other impacts of COVID-19, additional time is required to complete the reporting process.

Under the ASIC Relief, reviewed half year reports must be lodged by 14 October 2020. The Company will, however, lodge the reviewed half year reports as soon as they are ready to be given to the ASX.

The Company will immediately make a further announcement to the market if it becomes aware that there will be a material difference between its unreviewed half year accounts and its reviewed half year accounts.

The unreviewed half year results are set out in the accompanying Appendix 4D.

*This announcement is authorised for release to the market by Adam Pearce, BHL Deputy CEO and Executive Director.*

### About BHL

Boyuan Holdings Limited is an ASX-listed property development company (ASX: BHL), focused on creating masterplanned residential and commercial communities at Bringelly, Badgerys Creek, Cobbitty and Marsden Park.

**BHL media contact: Richard Lenarduzzi 0411 254390**

**Boyuan Holdings Limited**  
**Appendix 4D**  
**Half-year report**

**1 Company details**

Name of entity: Boyuan Holdings Limited  
ABN: 92 608 897 963  
Reporting period: For the half-year ended 30 June 2020  
Previous period: For the half-year ended 30 June 2019

**2 Results for announcement to the market**

				<b>\$'000</b>
Revenue from ordinary activities	Up	32.0%	to	14,492
Revenue from continuing activities	Up	29.9%	to	9,401
(Loss) from ordinary activities after tax attributable to the owners of Boyuan Holdings Limited	Down	1,685.0%	to	(5,604)
(Loss) for the half-year attributable to the owners of Boyuan Holdings Limited	Down	1,685.0%	to	(5,604)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the Group after providing for income tax and non-controlling interest amounted to \$5,604,000 (30 June 2019: profit of \$354,000).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by Boyuan Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**3 Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	15.27	14.96

**4 Control gained over entities**

Not applicable.

**5 Loss of control over entities**

Not applicable.

**6 Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**7 Dividend reinvestment plans**

Not applicable.

**8 Details of associates and joint venture entities**

Not applicable.

**Boyuan Holdings Limited**  
**Appendix 4D**  
**Half-year report**  
(continued)

**9 Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

All foreign subsidiaries comply with the International Financial Reporting Standards ('IFRS').

**10 Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements are in the process of being reviewed.

**11 Attachments**

*Details of attachments (if any):*

The Interim Report of Boyuan Holdings Limited for the half-year ended 30 June 2020 is attached.

**12 Signed**

Signed  \_\_\_\_\_

Dr. Saliba Sassine  
Chairman

31 August 2020  
Sydney

# **Boyuan Holdings Limited**

**ABN 92 608 897 963**

## **Interim financial report - 30 June 2020**

**Boyuan Holdings Limited**  
**Directors' report**  
**30 June 2020**

The directors present their report, together with the financial statements of the consolidated entity (referred hereafter as the 'Group') consisting of Boyuan Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

**Directors**

The following persons were directors of Boyuan Holdings Limited during the financial half-year and up to the date of this report:

Dr. Saliba Sassine	Chairman, Independent, Non-Executive Director
Yading Wan	Chief Executive Officer, Executive Director
Xiaofeng Chen	Independent, Non-Executive Director
Adam Michael Pearce	Deputy Chief Executive Officer, Executive Director
Gamini Colless	Independent, Non-Executive Director - appointed 31 July 2020

**Principal activities**

During the financial half-year the principal activities of the Group consisted of:

- property development and management;
- provider of managed investment funds;
- operation of tourist parks in New South Wales (classified as assets held for sale and discontinued operations); and
- operation of retirement lifestyle living villages in New South Wales (classified as assets held for sale and discontinued operations).

**Review of operations**

The loss for the Group after providing for income tax and non-controlling interest amounted to \$5,604,000 (30 June 2019: profit of \$354,000).

For the financial half-year the Group reported a net loss attributable to the owners of the Group of \$5,604,000 compared to a net profit of \$354,000 for the prior corresponding period.

Group revenue from continuing operations was \$9,400,665 compared to \$7,239,374 in the prior period.

Included in revenue for the financial half-year from continuing operations are property investment and management income for management fees from local projects of \$9,149,000 and corporate income through service fees received from related parties of \$252,000.

The increase in revenue is primarily attributable to increase in debt arranger's fees for related parties of approximately \$2,145,000 from property investment and management segment.

The impact on the Group from the COVID-19 pandemic was the reduction in revenue at Armidale Tourist Park and loss of service fee income by BHL Group Services Pty Ltd (a wholly owned subsidiary). As a result, the Group received financial support from Federal Government incentives through the Cashflow Boost and JobKeeper payments.

**Significant changes in the state of affairs**

*Lifestyle Living Assets Portfolio being held for sale*

On 30 June 2020, the Group entered into a non-binding term sheet with a third party real estate fund manager, Lincoln Place to sell the Lifestyle Living assets for \$64,000,000. Sales contracts have been exchanged on 14 August 2020 and the transaction is expected to settle no later than 30 September 2020. The proceeds expected from the sale will be used to settle the loan from Filetron Pty Limited amounting to \$46,300,000. The loan with Filetron Pty Limited was entered into on 3 July 2020, refer to note 23 for further information on events occurring after the reporting period.

**Boyuan Holdings Limited**  
**Directors' report**  
**30 June 2020**  
(continued)

**Matters subsequent to the end of the financial half-year**

On 3 July 2020, the Group entered into a \$46,300,000 loan facility agreement with Filetron Pty Limited, a subsidiary of Lincoln Place. The facility expires on the earlier of 30 September 2020 and the date of settlement of the sale of Lifestyle Living assets to Lincoln Place. The loan proceeds were used to repay the Bregon Group Pty Ltd loan of \$37,214,012 in July 2020. The transaction costs associated to this loan amounts to \$4,397,342. The net proceeds of \$4,688,646 will be used by the Group for working capital purposes. This loan is secured with the Lifestyle Living assets.

The Directors have considered the repayment of Filetron Pty Ltd loan (\$46,300,000) that is due no later than 30 September 2020 and Bank of Queensland ('BOQ') Bank Loan (\$3,700,000) that is due upon settlement of the sale of Lifestyle Living assets portfolio. Sales contracts of the Lifestyle Living assets portfolio have been exchanged and settlement is expected to occur no later than 30 September 2020. The Directors are confident that the sale will be completed no later than 30 September 2020 and all outstanding loans to Filetron Pty Ltd and BOQ Bank will be repaid using the sales proceeds of Lifestyle Living portfolio.

On 31 July 2020, Mr Gamini Colless has been appointed as a Non-Executive Director of the Group.

On 21 August 2020, the Group made a further payment of \$1,486,782 in relation to the acquisition of land in Bringelly, New South Wales, Australia. Refer to note 10 for further details on the land in Bringelly, New South Wales, Australia.

There remains a high level of uncertainty surrounding the scale and duration of COVID-19 and the potential impact this has to the Group. It is still too early to assess the financial effects arising from the economic impacts of the virus but the Group's response will continue to focus on:

- prioritising the health, safety and wellbeing of our people along with our customers, suppliers and communities
- prudent cost management
- operating the Group as close as possible to business as usual
- regular communication with our capital partners to ensure any tightening of credit markets can be managed in an orderly manner

Other than as disclosed in this report and to the knowledge of the Directors, no matter or circumstance has arisen since 30 June 2020 that has significantly affected the Group's operations, results or state of affairs, or may do so in future periods.

**Rounding of amounts**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Boyuan Holdings Limited**  
**Directors' report**  
**30 June 2020**  
(continued)

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Dr. Saliba Sassine  
Chairman, Independent, Non-Executive Director  
Sydney



Yading Wan  
Chief Executive Officer, Executive Director  
Sydney

31 August 2020

**Boyuan Holdings Limited**  
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**30 June 2020**

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**Boyuan Holdings Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2020**

		<b>Consolidated</b>	
		<b>6 months ended 30 June 2020 \$'000</b>	<b>6 months ended 30 June 2019 \$'000</b>
	<b>Note</b>		
<b>Continuing operations</b>			
<b>Revenue</b>			
Revenue from customers	3	9,401	7,239
Other income, gains and (losses)	4	212	(65)
<b>Expenses</b>			
Cost of sales		(211)	(1,211)
Operating expenses		(1,181)	(1,139)
Other expenses		(1)	(38)
Employee benefit expenses		(5,250)	(3,338)
Finance costs		(19)	(685)
<b>Profit before income tax (expense)/benefit from continuing operations</b>		<u>2,951</u>	<u>763</u>
Income tax (expense)/benefit		(877)	(232)
<b>Profit after income tax (expense)/benefit from continuing operations</b>		<u>2,074</u>	<u>531</u>
(Loss)/Profit after income tax from discontinued operation	8	(7,726)	(91)
<b>(Loss)/profit after income tax (expense)/benefit for the period</b>		<u>(5,652)</u>	<u>440</u>
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Loss on revaluation of land and buildings, net of tax		(379)	-
<b>Items that may be reclassified subsequently to profit or loss</b>			
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<u>(379)</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the period</b>		<u>(6,031)</u>	<u>440</u>
Profit/(loss) for the period is attributable to:			
Non-controlling interests		(48)	86
Owners of Boyuan Holdings Limited		(5,604)	354
		<u>(5,652)</u>	<u>440</u>
Total comprehensive income/(loss) for the period is attributable to:			
Continuing operations		(48)	86
Discontinued operations		-	-
<b>Non-controlling interest</b>		<u>(48)</u>	<u>86</u>
Continuing operations		2,122	445
Discontinued operations		(8,105)	(91)
<b>Owners of Boyuan Holdings Limited</b>		<u>(5,983)</u>	<u>354</u>
		<u>(6,031)</u>	<u>440</u>

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Boyuan Holdings Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2020**  
(continued)

		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the owners of Boyuan Holdings Limited</b>			
Basic earnings per share	21	0.62	0.13
Diluted earnings per share	21	0.62	0.13
<b>Earnings per share for (loss)/profit from discontinued operations attributable to the owners of Boyuan Holdings Limited</b>			
Basic earnings per share	21	(2.36)	(0.03)
Diluted earnings per share	21	(2.36)	(0.03)
<b>Earnings per share for (loss)/profit attributable to the owners of Boyuan Holdings Limited</b>			
Basic earnings per share	21	(1.63)	0.10
Diluted earnings per share	21	(1.63)	0.10

In accordance with AASB 5 'Non-Current Assets Held for Sale and Discontinued Operations', the comparative information has been restated. Refer to note 8 for details.

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Boyuan Holdings Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2020**

		<b>Consolidated</b>	
		<b>30 June</b>	<b>31 December</b>
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	659	1,519
Trade and other receivables	6	5,343	2,672
Inventories	7	2,832	5,481
Other		313	354
Assets classified as held for sale	8	63,040	-
Total current assets		<u>72,187</u>	<u>10,026</u>
<b>Non-current assets</b>			
Inventories	9	1,445	1,447
Other non-current assets	10	22,658	19,205
Investment properties	11	6,272	61,282
Property, plant and equipment	12	215	8,783
Intangible assets	13	514	4,261
Deferred tax assets		758	1,097
Total non-current assets		<u>31,862</u>	<u>96,075</u>
<b>Total assets</b>		<u>104,049</u>	<u>106,101</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	7,670	5,568
Borrowings	15	40,623	3,711
Financial liabilities		394	439
Provision for income tax		1,153	363
Employee benefits		417	623
Provisions		115	115
Total current liabilities		<u>50,372</u>	<u>10,819</u>
<b>Non-current liabilities</b>			
Borrowings	16	-	35,888
Total non-current liabilities		<u>-</u>	<u>35,888</u>
<b>Total liabilities</b>		<u>50,372</u>	<u>46,707</u>
<b>Net assets</b>		<u>53,677</u>	<u>59,394</u>
<b>Equity</b>			
Contributed capital	17	17,613	17,613
Reserves		26,591	26,656
Retained earnings		9,080	14,684
Equity attributable to owners of Boyuan Holdings Limited		<u>53,284</u>	<u>58,953</u>
Non-controlling interests		<u>393</u>	<u>441</u>
<b>Total equity</b>		<u>53,677</u>	<u>59,394</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Boyuan Holdings Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2020**

<b>Consolidated</b>	<b>Contributed capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained earnings \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2019</b>	17,613	25,922	12,969	468	56,972
(Loss)/Profit after income tax expense for the half-year	-	-	354	86	440
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>354</b>	<b>86</b>	<b>440</b>
<b>Balance at 30 June 2019</b>	<b>17,613</b>	<b>25,922</b>	<b>13,323</b>	<b>554</b>	<b>57,412</b>
<b>Consolidated</b>	<b>Contributed capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained earnings \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2020</b>	17,613	26,656	14,684	441	59,394
(Loss)/Profit after income tax expense for the half-year	-	-	(5,604)	(48)	(5,652)
Other comprehensive income/(loss) for the half-year, net of tax	-	(65)	-	-	(65)
<b>Total comprehensive income/(loss) for the half-year</b>	<b>-</b>	<b>(65)</b>	<b>(5,604)</b>	<b>(48)</b>	<b>(5,717)</b>
<b>Balance at 30 June 2020</b>	<b>17,613</b>	<b>26,591</b>	<b>9,080</b>	<b>393</b>	<b>53,677</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Boyuan Holdings Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2020**

	<b>Consolidated</b>	
	<b>6 months ended 30 June 2020 \$'000</b>	<b>6 months ended 30 June 2019 \$'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax expense for the half-year	(4,201)	633
Adjustments for:		
Depreciation and amortisation	376	303
Net fair value (gain)/ loss on investment properties	46	-
Net fair value gain on derivative assets	-	(79)
Unrealised loss on foreign exchange	-	92
Put option revaluation	(45)	86
Inventory write-off	150	-
Impairment loss recognised on the remeasurement to fair value less costs to sell	9,353	-
Fair value adjustment to investment property	(2,510)	-
	3,169	1,035
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(3,015)	15,380
Decrease/(Increase) in inventories	642	1,231
Decrease/(Increase) in deferred tax assets	654	53
Decrease/(Increase) in prepayments	41	292
(Decrease)/Increase in trade and other payables	2,442	(2,953)
(Decrease)/Increase in provision for income tax	790	(2,242)
Increase in employee benefits	(206)	128
Increase in other assets	(3,453)	(312)
Increase in other provisions	-	115
Capitalisation of interest on BOQ loan	45	-
	1,109	12,727
Income tax expense	(1,450)	(193)
<b>Net cash (used in)/from operating activities</b>	(341)	12,534
<b>Cash flows from investing activities</b>		
Payments for investment properties	-	(528)
Purchase of property, plant and equipment	(48)	(45)
Payments for capital improvements	(1,450)	-
Payment of software costs	-	(44)
<b>Net cash used in investing activities</b>	(1,498)	(617)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	985	5,000
Repayment of borrowings	(5)	(19,286)
<b>Net cash from/(used in) financing activities</b>	980	(14,286)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(859)	(2,369)
Cash and cash equivalents at the beginning of the financial year	1,519	3,376
<b>Cash and cash equivalents at the end of the financial half-year</b>	660	1,007

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **Note 1. General information**

The financial statements cover Boyuan Holdings Limited as a Group consisting of [Boyuan Holdings Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Boyuan Holdings Limited's functional and presentation currency.

Boyuan Holdings Limited is a listed public company, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1 Level 16  
5-17 Martin Place  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2020.

## **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business (effective from 1 January 2020)

This amends AASB 3 - Business Combinations to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisitions. The adoption of this amendment does not have a significant impact on the financial statements.

## **Note 2. Significant accounting policies (continued)**

### **New or amended Accounting Standards and Interpretations adopted (continued)**

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of a Material (effective from 1 January 2020)

This amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The adoption of this amendment does not have a significant impact on the financial statements.

- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (effective from 1 January 2020)

Makes amendments to various Accounting Standards and other pronouncements to support the issue of the revised Conceptual Framework for Financial Reporting.

Some Accounting Standards and other pronouncements contain references to, or quotations from, the previous versions of the Conceptual Framework. This Standard updates some of these references and quotations so they refer to the Conceptual Framework issued by the AASB in June 2019, and also makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents. The adoption of this amendment does not have a significant impact on the financial statements.

### **AASB 15 Revenue from Contracts with Customers**

AASB 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures.

#### *(l) Classification and measurement of revenue*

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time. The following table summarises the revenue recognition policies under AASB 15.

<b>Type of revenue</b>	<b>Description</b>	<b>Revenue recognition policy under AASB 15</b>
Recharge revenue	Austral (BHL) Development Pty Limited recovers project fees for the services provided under the development management services agreement. Revenue from recharges is recognised as the services are provided. The developer is invoiced when applicable and the invoice is due within 30 days of the invoice date.	Over time

## Note 2. Significant accounting policies (continued)

### AASB 15 Revenue from Contracts with Customers (continued)

(l) Classification and measurement of revenue (continued)

Type of revenue	Description	Revenue recognition policy under AASB 15
Establishment fees and roll over fees	Integer Securities Limited charges establishment and roll over fees to a related party. The fees are charged in accordance with the loan agreement. Establishment fees is charged at the time of the first drawing and roll over fees are charged on the first day of each rollover period.	Point in time
Development management fees	BHL Development Pty Limited provides development management services to the owners of property assets in accordance with development management agreements. Revenue is calculated and recognised in accordance with the specific agreement. These fees are invoiced on a monthly basis, in arrears, and consideration is due 30 days from invoice date.	Over time
Rental income - Armidale Tourist Park	BHL Lifestyle Living (Armidale) Pty Ltd derive rental income by providing accommodation services to tourists. The revenue is recognised when the services are delivered.	Over time (for the duration of the stay)
Rental income - Lifestyle Living	BHL Lifestyle Living Pty Ltd* provides rental services to the owners of property assets in accordance with property services agreements. The services are utilised on an ongoing basis and revenue is calculated and recognised in accordance with the specific agreement. The fees are invoiced fortnightly with variable payment terms depending on the individual agreements.	Over time
Sale of inventory	Proceeds from the sale of inventory are recognised by the Group in accordance with a specific contract entered into with another party for delivery of inventory. Revenue is calculated in accordance with the contract. Consideration is payable in accordance with the contract. Revenue is recognised when control has been transferred to the buyer.	Point in time
Introduction fees	BHL Group Services Pty Limited recognises introduction fee income based on the total value of equity funding raised for its related parties. The fee is charged at the time of acceptance of the term sheet from the financier by its related party clients.	Point in time
Sales and marketing fees	Boyuan Holdings Limited derive sales and marketing fees income by providing sales services to related parties. The revenue is recognised when the services are provided.	Over time

\* including BHL Lifestyle Living (Green Point) Pty Ltd, BHL Lifestyle Living (Muswellbrook) Pty Ltd and BHL Lifestyle Living (Tamworth) Pty Ltd

### Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.



## **Note 2. Significant accounting policies (continued)**

### **Discontinued operations (continued)**

The comparative information in the consolidated statement of profit or loss and other comprehensive income and associated notes have been restated for businesses that satisfy the definition of the discontinued operation as at the end of the reporting period (refer to note 8).

At 30 June 2020, Lifestyle Living assets portfolio was classified as a disposal group held for sale and as a discontinued operation. As a result, the Lifestyle Living segment is no longer presented in the segment note.

### **Going concern**

The financial statements have been prepared on a going concern basis. In assessing the application of the going concern basis the Directors have taken into consideration the repayment of Filetron Pty Ltd loan (\$46,300,000) that is due no later than 30 September 2020 and Bank of Queensland ('BOQ') Bank Loan (\$3,700,000) that is due upon settlement of the sale of Lifestyle Living assets portfolio. Sales contracts of the Lifestyle Living assets portfolio have been exchanged and settlement is expected to occur no later than 30 September 2020. The Directors are confident that the sale will be completed no later than 30 September 2020 and all outstanding loans to Filetron Pty Ltd and BOQ Bank will be repaid using the sales proceeds of Lifestyle Living portfolio.

## **Note 3. Operating segments**

### **Identification of reportable operating segments**

The Group is organised into four operating segments: Property Investment and Management, Funds Management, Lifestyle Living and Corporate (management and various shared services). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The Lifestyle Living segment was held for sale as at 30 June 2020 (refer to note 8).

The CODM reviews net profit before tax. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

### **Intersegment transactions**

There were no intersegment transactions during the current and previous half-year.

### **Intersegment receivables, payables and loans**

There were no intersegment receivables, payables or loans during the current and previous half-year.

### **Operating segment information - continuing operations**

<b>Consolidated - 6 months ended 30 June 2020</b>	<b>Property Investment &amp; Management</b>	<b>Funds Management</b>	<b>Corporate</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	9,149	-	252	9,401
Cost of sales	(211)	-	-	(211)
Other income, gains and losses				212
Operating expenses				(1,181)
Other expenses				(1)
Employee benefit expenses				(5,250)
Finance costs				(19)
<b>Profit before Income tax expense</b>				<b>2,951</b>
Income tax expense				(877)
<b>Profit after Income tax expense</b>				<b>2,074</b>

### Note 3. Operating segments (continued)

#### Operating segment information - continuing operations (continued)

Consolidated - 6 months ended 30 June 2019	Property Investment & Management \$'000	Funds Management \$'000	Corporate \$'000	Total \$'000
Revenue	6,517	470	252	7,239
Cost of sales	(1,211)	-	-	(1,211)
Other income, gains and losses				(65)
Operating expenses				(1,139)
Other expenses				(38)
Employee benefit expenses				(3,338)
Finance costs				(685)
<b>Profit before income tax expense</b>				<u>763</u>
Income tax expense				(232)
<b>Profit after income tax expense</b>				<u>531</u>

In accordance with AASB 5 'Non-Current Assets Held for Sale and Discontinued Operations', the comparative information has been restated. Refer to note 8 for details.

#### Geographical information

	Sales to customers		Geographical non-current assets	
	6 months ended 30 June 2020 \$'000	6 months ended 30 June 2019 \$'000	30 June 2020 \$'000	31 Dec 2019 \$'000
	Australia	9,401	7,239	31,104

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets.

### Note 4. Other losses

	Consolidated	
	6 months ended 30 June 2020 \$'000	6 months ended 30 June 2019 \$'000
Net foreign exchange loss	-	(92)
Other income	38	34
Fair value gain/(loss) on investment properties	(46)	-
Derivative assets revaluation gain	-	79
Fair value adjustment to put option financial liability	45	(86)
Inventory write off	(150)	-
Government grants	325	-
	<u>212</u>	<u>(65)</u>

Government grants relate to Cashflow boost and JobKeeper payments that is being received by BHL Group Services Pty Ltd and Integer Securities Limited (subsidiaries of the Group). These measures were announced as part of the Australian Government's economic stimulus package in March 2020. Approximately 24% of the Group's total workforce had their work hours reduced.

**Note 5. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	466	1,326
Short term deposits	193	193
	<u>659</u>	<u>1,519</u>

**Note 6. Current assets - Trade and other receivables**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade and other receivables - external	199	191
Amount due from related parties	5,144	2,481
	<u>5,343</u>	<u>2,672</u>

Amount due from related parties refer to note 20 Related Party disclosure.

**Note 7. Current assets - Inventories**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Properties held for sale	2,600	3,691
Properties under development	232	1,790
	<u>2,832</u>	<u>5,481</u>

The Group's inventories of properties above are expected to be realised within twelve months from the end of the reporting date and are situated in New South Wales, Australia.

## Note 8. Discontinued operations

### Lifestyle Living Operations

On 30 June 2020, the Group entered into a non-binding term sheet, subject to due diligence, to sell its Lifestyle Living assets portfolio to real estate fund manager, Lincoln Place for \$64,000,000. Sales contracts have been exchanged on 14 August 2020 and the expected settlement date is 11 September 2020. At 30 June 2020, Lifestyle Living assets portfolio was classified as a disposal group held for sale and as discontinued operations. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

### Financial performance information

	Consolidated	
	30 June 2020 \$'000	30 June 2019 \$'000
Revenue	5,091	3,722
Government grants	150	-
Net fair value gain on investment properties	2,507	-
	7,748	3,722
Cost of sales	(1,699)	(880)
Operating expenses	(1,165)	(1,115)
Finance costs	(1,879)	(1,115)
Employee benefit expenses	(802)	(741)
Other expenses	(2)	(1)
Impairment loss recognised on the remeasurement to fair value less costs to sell*	(9,353)	-
	(14,900)	(3,852)
Loss before income tax expense from discontinued operations	(7,152)	(130)
Income tax (expense)/benefit	(574)	39
Loss after income tax expense from discontinued operations	(7,726)	(91)

\*the Group recognises assets held for sale as sales price less costs to sell

Immediately before the classification of Lifestyle Living assets portfolio as assets held for sale and discontinued operations, the recoverable amount was estimated for Armidale Tourist Park and impairment loss of \$4,653,429 was recognised. The remaining impairment loss of \$4,699,000 is made up of impairment of goodwill associated to Lifestyle Living CGU of \$3,739,000 and selling costs of \$960,000.

### Cash flow information

	Consolidated	
	30 June 2020 \$'000	30 June 2019 \$'000
Net cash from/(used in) operating activities	(167)	(132)
Net cash from/(used in) investing activities	(1,105)	(37)
Net cash from/(used in) financing activities	981	(5)
<b>Net decrease in cash and cash equivalents from discontinued operations</b>	<b>(291)</b>	<b>(174)</b>

## Note 8. Discontinued operations (continued)

### Carrying amounts of assets and liabilities held as a disposal group

	<b>Consolidated</b> <b>30 June</b> <b>2020</b> <b>\$'000</b>
Inventories	1,859
Property, plant and equipment	2,257
Investment properties	58,924
Total assets	<u>63,040</u>
Total liabilities	<u>-</u>

## Note 9. Non-current assets - Inventories

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Properties under development	1,445	1,447
	<u>1,445</u>	<u>1,447</u>

The properties under development are basin lots from the Austral development that are not expected to be realised within twelve months from the end of the reporting date.

## Note 10. Non-current assets - Other

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Bringelly development deposit	22,658	19,205

The asset is represented by non-refundable deposit, consulting and legal costs from the acquisition of land in Bringelly, New South Wales, Australia. On 29 November 2019, the Group obtained an extension of the settlement of land from the original completion date (June 2019) to 18 November 2022 with an option to extend by an additional 6 months. This resulted in the Group having to incur additional costs of \$17,841,385 on top of the original purchase price of \$69,999,000 as a consequence of the extension. The additional costs of \$17,841,385 is to be made in 12 equal payments of \$1,486,782, payable quarterly beginning from 18 February 2020 and the final payment of \$55,499,100 is due on 18 November 2022.

The movement in the past 6 months is mainly due to two quarterly payments of \$1,486,782 that were made as part of the additional costs. Management obtained an external valuation report for this land on 30 June 2020 and the "as is" market value of the land was \$23,650,000. Management is in the midst of getting this land rezoned and the value of this land is expected to increase significantly upon rezoning.

**Note 11. Non-current assets - Investment properties**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment property - retirement villages - at fair value	-	55,325
Investment properties under construction - at fair value	6,272	5,957
	<u>6,272</u>	<u>61,282</u>

**Reconciliation**

Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening fair value	61,282	57,717
Additions through capital expenditures	1,450	2,992
Revaluation (decrements)/increments	2,464	573
Transfer to assets held for sale	(58,924)	-
Closing fair value	<u>6,272</u>	<u>61,282</u>

**Location of investment properties**

The reduction in investment properties to \$6,272,000 is due to the retirement villages being classified as assets held for sale and discontinued operations. Refer to note 8 for details. The remaining balance relates to the heritage building at Marsden Park.

The investment properties in the current financial period are located in New South Wales, Australia.

Refer to note 19 for further information on fair value measurement.

**Note 12. Property, plant and equipment**

Consolidated	Land \$'000	Buildings \$'000	Tourist park cabins \$'000	Plant and equipment \$'000	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Year ended 31 December 2019</b>							
Opening net book amount	346	3,095	2,970	1,534	197	54	8,196
Additions	-	-	-	77	64	-	141
Depreciation expense	-	(80)	(80)	(389)	(46)	(7)	(602)
Revaluation increments/(decrements)	59	505	484	-	-	-	1,048
Closing net book amount	405	3,520	3,374	1,222	215	47	8,783
<b>At 31 December 2019</b>							
Cost or fair value	405	3,697	3,564	2,033	298	54	10,051
Accumulated depreciation and impairment	-	(177)	(190)	(811)	(83)	(7)	(1,268)
Net book amount	405	3,520	3,374	1,222	215	47	8,783
<b>Period ended 30 June 2020</b>							
Opening net book amount	405	3,520	3,374	1,222	215	47	8,783
Additions	-	-	-	14	33	-	47
Depreciation charge	-	(45)	(88)	(197)	(32)	(3)	(365)
Revaluation increments/(decrements)	(22)	(187)	(170)	-	-	-	(379)
Assets classified as held for sale	(383)	(3,288)	(3,116)	(1,036)	(4)	(44)	(7,871)
Closing net book amount	-	-	-	3	212	-	215
<b>At 30 June 2020</b>							
Cost or fair value	-	-	-	3	319	-	322
Accumulated depreciation and impairment	-	-	-	-	(107)	-	(107)
Net book amount	-	-	-	3	212	-	215

**Note 13. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Goodwill (at cost)	-	3,737
AFSL License (at cost)	452	452
	<u>452</u>	<u>4,189</u>
Software (at cost)	87	87
Accumulated amortisation	(25)	(15)
Software (written down value)	<u>62</u>	<u>72</u>
	<u>514</u>	<u>4,261</u>

During the year, goodwill associated to the Lifestyle Living CGU has been transferred to assets held for sale and discontinued operations and impaired. Refer to note 8 for details.

**Note 14. Current liabilities - Trade and other payables**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	1,130	1,426
Amounts due to related parties	1,193	1,144
Refundable deposits related to sales of properties	422	790
Other payables	4,925	2,208
	<u>7,670</u>	<u>5,568</u>

Increase in other payables is largely due to increase in GST payable and PAYG Withholding payable. These payables were granted payment deferrals by the Australian Taxation Office due to the impact that is being experienced by the Group from the COVID-19 pandemic.

Amount due to related parties refer to note 20 Related Party disclosure.



## Note 15. Current liabilities - Borrowings

	Consolidated	
	30 June 2020	31 December 2019
	\$'000	\$'000
Bank loan	3,743	3,700
Other loan	35	11
Loan - Bremon Group Pty Ltd	36,845	-
	<u>40,623</u>	<u>3,711</u>

### Bank loans

As at 30 June 2020 bank loans consisted of \$3,700,000 borrowing facility from Bank of Queensland that was entered in 2017. BHL Lifestyle Living (Armidale) Pty Ltd borrowed \$1,850,000 from Bank of Queensland. Integer Securities Limited as trustee for Integer Lifestyle Living Sub Trust No. 5 borrowed \$1,850,000 from Bank of Queensland.

On 27 May 2020, the loan was varied and monthly interest payments are deferred for 6 months and the facility which initially expires on 4 October 2020 has been extended by 6 months to 4 April 2021. Accrued interests during the deferment have been capitalised and all financial covenants attached to the loan have been waived. The variation occurred as a result of Armidale Tourist Park's business being affected by COVID-19, however, this loan is expected to be repaid sometime in September 2020 upon settlement of the sale of Armidale Tourist Park.

### Loan - Bremon Group Pty Ltd

The loan from Bremon Group Pty Ltd which initially expires on 8 September 2022 has been classified as current as at 30 June 2020. On 24 June 2020, BHL Finance Pty Ltd (a wholly owned subsidiary) was issued a notice of demand for missed interest payments for the June quarter that was due by 8 June 2020. Bremon Group Pty Ltd demanded for the loan amount plus any outstanding interests to be paid in full. On 3 July 2020, the Group made repayment of \$37,214,012 using proceeds from a new facility agreement that was entered into with Filetron Pty Limited. The repayment of \$37,214,012 includes the outstanding amount of \$36,844,919 as at 30 June 2020, interest expense up to 3 July 2020 and some legal fees. Refer to note 23 for details of the loan from Filetron Pty Limited.

## Note 16. Non-current liabilities - Borrowings

	Consolidated	
	30 June 2020	31 December 2019
	\$'000	\$'000
Other loan	-	30
Loan - Bremon Group Pty Ltd	-	35,858
	<u>-</u>	<u>35,888</u>

### Loan - Bremon Group Pty Ltd

Refer to note 15 for details of the loan from Bremon Group Pty Ltd.

### Note 17. Equity - Contributed capital

	Consolidated			
	30 June 2020 Shares	31 December 2019 Shares	30 June 2020 \$'000	31 December 2019 \$'000
Ordinary shares - fully paid	343,130,100	343,130,100	17,613	17,613
	<u>343,130,100</u>	<u>343,130,100</u>	<u>17,613</u>	<u>17,613</u>

### Note 18. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 19. Fair value measurements

#### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated 30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial Assets</b>				
Investment properties - retirement village	-	-	58,924	58,924
Investment properties - heritage building, Marsden Park	-	-	6,272	6,272
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>65,196</u>	<u>65,196</u>
<b>Financial Liabilities</b>				
Put option	-	-	(394)	(394)
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>(394)</u>	<u>(394)</u>

## Note 19. Fair value measurements (continued)

Consolidated 31 December 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial Assets</b>				
Investment properties - retirement village	-	-	55,325	55,325
Investment properties - heritage building, Marsden Park	-	-	5,957	5,957
Property, plant and equipment - mainly Armidale Tourist Park	-	-	7,700	7,700
<b>Total financial assets</b>	-	-	68,982	68,982
<b>Financial Liabilities</b>				
Put option	-	-	(439)	(439)
<b>Total financial liabilities</b>	-	-	(439)	(439)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The carrying amounts of financial liabilities are assumed to approximate their fair values.

As at 30 June 2020, there is valuation uncertainty to the investment properties and property, plant and equipment valuations due to COVID-19. This uncertainty affects the ability to reliably determine the key judgements and assumptions used in the property valuations. The uncertain assumptions include forecast of future cashflows, capitalisation rate and uncertain duration of COVID-19.

Due to the valuation uncertainty, the property values may change unexpectedly over a relatively short period of time. Management have relied on property valuations prepared by external valuers as the best estimate of fair value.

## Note 20. Related party transactions

### Parent entity

Boyuan Holdings Limited is the parent entity.

### Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	6 months ended 30 June 2020	6 months ended 30 June 2019
	\$	\$
<b>Revenue from services provided and other income:</b>		
<i>Revenue from services with Cyan Stone Pty Limited and its controlled entities - entities controlled by a common shareholder</i>		
Group service fee revenue	240,000	240,000
Project development management fee	725,000	2,051,456
Sales and marketing service fee	1,015,508	-
Debt raising fees	1,768,615	-
Conveyancing fees	750	-

**Note 20. Related party transactions (continued)**

**Transactions with related parties (continued)**

	<b>Consolidated</b>	
	<b>6 months ended 30 June 2020 \$</b>	<b>6 months ended 30 June 2019 \$</b>
<i>Revenue from services with 621B Northern Road Pty Limited and 621Z Northern Road Pty Limited - entities controlled by a director</i>		
Project development management fee	300,000	390,000
Sales and marketing service fee	448,924	-
Conveyancing fees	21,750	-
<i>Revenue from services with HV Parent Pty Limited and its controlled entities - entities controlled by a director</i>		
Project development management fee	1,335,000	690,000
<i>Revenue from services with Cobbitty Parent Pty Ltd and its controlled entities - entities controlled by a director</i>		
Project development management fee	1,160,000	895,000
Sales and marketing service fee	660,761	300,000
Conveyancing fees	9,750	-
Debt raising fees	376,764	-
<i>Revenue from services with Blue Cedar Development and its controlled entities - entities controlled by a director of subsidiaries of the Group</i>		
Debt rollover fee	-	470,000
<i>Revenue from services with TCAP Kelly St Pty Ltd - entity controlled by a director of subsidiaries of the Group</i>		
Austral (BHL) Development Pty Ltd cost recharge	21,997	46,861
Project development management fee	825	20,940
<i>Revenue from services with Cyan Stone Badgerys Creek (Aus) Pty Ltd - entity controlled by a common director</i>		
Project development management fee	720,000	-
<i>Revenue from services with Cyan Stone North Bringelly Pty Ltd - entity controlled by a common director</i>		
Project development management fee	270,000	-
<i>Revenue from services with Avoca Silverdale Pty Ltd - entity controlled by a common director</i>		
Project development management fee	135,000	-
<i>Revenue from services with Open Agency Pty Ltd - entity controlled by a director of subsidiaries of the Group</i>		
Shared service fee	12,000	-

**Note 20. Related party transactions (continued)**

**Transactions with related parties (continued)**

	<b>Consolidated</b>	
	<b>6 months ended 30 June 2020</b>	<b>6 months ended 30 June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Payment for goods and services:</i>		
Rental expense to Cyan Stone Pty Limited - entity controlled by a common shareholder	24,000	24,000
Director fee paid to key management personnel of a commonly controlled entity	15,000	15,000
Equipment rental expense to Blue Cedar Group Pty Limited - entity controlled by a director of subsidiaries of the group	-	3,300
TCAP Kelly St Pty Ltd recharge of commissions and marketing costs to BHL Developments Pty Limited	54,479	35,822
Related parties of key management personnel recharge of project development management fees to BHL Development Pty Limited	120,000	-

**Receivable from and payable to related parties**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current receivables:</b>		
Receivable from Cyan Stone Pty Limited and its controlled entities - entities controlled by a common shareholder	4,897,411	1,891,161
Receivable from Blue Cedar Development Pty Limited and its controlled entities - entities controlled by a director of subsidiaries of the Group	203,500	453,500
Receivable from related parties of key management personnel	-	132,000
Receivable from Open Agency Pty Ltd - entity controlled by a director of subsidiaries of the Group	2,200	4,400
Receivable from Integer Australian Opportunities Fund - trust controlled by a director of subsidiaries of the Group	41,340	-
	<u>5,144,451</u>	<u>2,481,061</u>

**Current payables:**

Amount due to related parties controlled by close family members of the ultimate controlling shareholder of Boyuan Holdings Limited	145,520	145,520
Payables to related parties of key management personnel	75,000	60,000
Amount due to TCAP Kelly St Pty Ltd - entity controlled by a director of subsidiaries of the Group	973,075	938,252
	<u>1,193,595</u>	<u>1,143,772</u>

**Note 21. Earnings per share**

	<b>Consolidated</b>	
	<b>6 months ended 30 June 2020 \$'000</b>	<b>6 months ended 30 June 2019 \$'000</b>
<b><i>Earnings per share for profit/(loss) from continuing operations</i></b>		
Profit after income tax attributable to the owners of Boyuan Holdings Limited	2,122	445
	<b>2020 Number</b>	<b>2019 Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	343,130,100	343,130,100
Weighted average number of ordinary shares used in calculating diluted earnings per share	343,130,100	343,130,100
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.62	0.13
Diluted earnings per share	0.62	0.13
<b><i>Earnings per share for profit/(loss) from discontinued operations</i></b>		
Loss after income tax attributable to the owners of Boyuan Holdings Limited	(8,105)	(91)
	<b>2020 Number</b>	<b>2019 Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	343,130,100	343,130,100
Weighted average number of ordinary shares used in calculating diluted earnings per share	343,130,100	343,130,100
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(2.36)	(0.03)
Diluted earnings per share	(2.36)	(0.03)

## Note 21. Earnings per share (continued)

	Consolidated	
	6 months ended 30 June 2020 \$'000	6 months ended 30 June 2019 \$'000
<b>Earnings per share for profit/(loss)</b>		
(Loss)/Profit after income tax	(5,652)	440
Non-controlling interest	48	(86)
(Loss)/profit after income tax attributable to the owners of Boyuan Holdings Limited	(5,604)	354
	<b>2020 Number</b>	<b>2019 Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	343,130,100	343,130,100
Weighted average number of ordinary shares used in calculating diluted earnings per share	343,130,100	343,130,100
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.63)	0.10
Diluted earnings per share	(1.63)	0.10

## Note 22. Contingent liabilities

On 16 August 2019, Cyan Stone Clydesdale Pty Ltd, a wholly owned subsidiary of Boyuan Holdings Limited, has acted as a guarantor on the debt facilities of US\$32,000,000 provided to Hong Kong Jianyuan Investment Limited, a company controlled by the ultimate shareholder of the Group, by Zhongrong Pt Finance Limited.

On 17 October 2019 Cyan Stone Clydesdale Pty Ltd, a wholly owned subsidiary of Boyuan Holdings Limited, has acted as a guarantor on the debt facilities of \$81,500,000 provided to Cyan Stone QREO Clydesdale 1 Pty Ltd, a related party by National Australia Bank Limited.

On 30 January 2020 Cyan Stone Clydesdale Pty Ltd, a wholly owned subsidiary of Boyuan Holdings Limited, has acted as a guarantor on the debt facilities of \$36,000,000 provided to Cyan Stone Clydesdale Estate 3 Pty Ltd, a related party by CVS Lane Funding 84 Pty Ltd.

On 8 May 2020 Cyan Stone Clydesdale Pty Ltd, a wholly owned subsidiary of Boyuan Holdings Limited, has acted as a guarantor on the debt facilities of \$36,861,460 provided to Cyan Stone Finance Pty Ltd, a related party by Clydesdale P1 Mezzanine Pty Ltd and Fast Strategic Limited.

We have assessed that the fair value of these financial guarantees are not material.

## Note 23. Events occurring after the reporting period

On 3 July 2020, the Group entered into a \$46,300,000 loan facility agreement with Filetron Pty Limited, a subsidiary of Lincoln Place. The facility expires on the earlier of 30 September 2020 and the date of settlement of the sale of Lifestyle Living assets to Lincoln Place. The loan proceeds were used to repay the Bremont Group Pty Ltd loan of \$37,214,012 in July 2020. The transaction costs associated to this loan amounts to \$4,397,342. The net proceeds of \$4,688,646 will be used by the Group for working capital purposes. This loan is secured with the Lifestyle Living assets.

On 31 July 2020, Mr Gamini Colless has been appointed as a Non-Executive Director of the Group.

**Note 23. Events occurring after the reporting period (continued)**

On 21 August 2020, the Group made a further payment of \$1,486,782 in relation to the acquisition of land in Bringelly, New South Wales, Australia. Refer to note 10 for further details on the land in Bringelly, New South Wales, Australia.

There remains a high level of uncertainty surrounding the scale and duration of COVID-19 and the potential impact this has to the Group. It is still too early to assess the financial effects arising from the economic impacts of the virus but the Group's response will continue to focus on:

- prioritising the health, safety and wellbeing of our people along with our customers, suppliers and communities
- prudent cost management
- operating the Group as close as possible to business as usual
- regular communication with our capital partners to ensure any tightening of credit markets can be managed in an orderly manner

Other than as disclosed in this report and to the knowledge of the Directors, no matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.



**Boyuan Holdings Limited**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Dr. Saliba Sassine  
Chairman, Independent, Non-Executive Director  
Sydney



Yading Wan  
Chief Executive Officer, Executive Director  
Sydney

31 August 2020