

DEBAO PROPERTY DEVELOPMENT LTD.
(Incorporated in Singapore on 16 August 2007)
(Registration Number: 200715053Z)

**DISCREPANCIES BETWEEN UNAUDITED AND AUDITED ACCOUNTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2014**

Unless otherwise defined, capitalised terms herein shall have the same meaning ascribed to them in the Company's announcement reference number SG150227OTHR9DWQ on 27 February 2015 relating to the unaudited financial results for the full year ended 31 December 2014 ("**Results Announcement**").

The Board of Directors (the "**Board**") of Debao Property Development Ltd., together with its subsidiaries (collectively, the "**Group**") wishes to inform that subsequent to the Results Announcement, audit adjustments were made to the audited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Statements of Financial Position for the financial year ended 31 December 2014 ("**FY2014**") to comply with the requirements of the new FRS 111 Joint Arrangements ("**FRS 111**") which is effective for financial year beginning 1 January 2014.

Consequently, the Group reviewed and assessed the classification of the Group's investment in joint arrangements in accordance with the requirements of FRS 111. The Group concluded that investment in Jin Long Garden, which was classified as a jointly controlled operation under FRS 31 Interests in Joint Ventures and was previously accounted using the equity method, should be accounted to recognise the Group's share of its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly).

The restatements do not have any effect on the Group's net assets and profit after tax as previously announced in the Results Announcement.

The effects of the restatements to Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Financial Position are as follow:

Group	For the Financial Year ended 31 December 2014		
	As announced	Restatement	As in Annual Report
Consolidated Statement of Profit or Loss and Other Comprehensive Income	RMB'000	RMB'000	RMB'000
Revenue	127,999	21,671	149,670
Cost of sales	(78,210)	(38,385)	(116,595)
Administrative expenses	(70,989)	6,609	(64,380)
Share of a jointly controlled operation loss	(10,105)	10,105	-
Profit for the year	321,754	-	321,754
Consolidated Statement of Financial Position			

Cash and cash equivalents	99,713	40,609	140,322
Trade and other receivables - current	385,801	58,803	444,604
Investment in a jointly controlled operation	14,408	(14,408)	-
Trade and other payables - current	(768,337)	(39,851)	(808,188)
Tax payables	(67,427)	(45,153)	(112,580)
Total Equity	1,601,708	-	1,601,708

By Order of the Board

Yuan Le Sheng
Executive Chairman and CEO

02 April 2015