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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019 (“2Q2019”)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (“1Q”, “2Q”, “3Q”&“4Q”), HALF-YEAR (“HY”) AND FULL YEAR (“FY”) RESULTS

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

Please read the Consolidated Financial Statements in conjunction with the explanatory notes at the end of items 1(a)(i) and 1(b)(i)

ACTUAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Actual CFS (As defined herein)					
	2Q2019	2Q2018	% Change	1H2019	1H2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	36,843	55,109	(33%)	53,294	75,852	(30%)
Cost of sales	(21,337)	(48,480)	(56%)	(34,533)	(57,999)	(40%)
Gross profit	15,506	6,629	134%	18,761	17,853	5%
Other (expenses)/income	(85,329)	(43,724)	95%	(53,404)	7,727	NM
Selling and distribution expenses	(2,284)	(575)	297%	(2,631)	(1,197)	120%
Administrative expenses	(15,044)	(15,944)	(6%)	(28,704)	(31,760)	(10%)
Finance costs	(15,429)	(7,434)	108%	(26,836)	(15,232)	76%
(Loss) before income tax	(102,580)	(61,048)	68%	(92,814)	(22,609)	311%
Income tax (expenses)	(3)	(84)	(96%)	(7)	(103)	(93%)
Net (loss) for the period	(102,583)	(61,132)	68%	(92,821)	(22,712)	309%
Other comprehensive (loss) / income						
Currency translation difference	(934)	(21,380)	(96%)	4,355	(19,570)	NM
Total Comprehensive (loss) for the period	(103,517)	(82,512)	25%	(88,466)	(42,282)	109%
(Loss) / profit attributable to:						
Equity holders of the Company	(102,707)	(59,053)	74%	(90,329)	(18,459)	389%
Non-controlling interest	124	(2,079)	NM	(2,492)	(4,253)	(41%)
	(102,583)	(61,132)	68%	(92,821)	(22,712)	309%
Total comprehensive (loss) / profit attributable to:						
Equity holders of the Company	(103,641)	(80,433)	29%	(85,974)	(38,029)	126%
Non-controlling interest	124	(2,079)	NM	(2,492)	(4,253)	(41%)
	(103,517)	(82,512)	25%	(88,466)	(42,282)	109%



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

PROFORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Proforma CFS (As defined herein)					
	2Q2019	2Q2018	% Change	1H2019	1H2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	36,843	55,109	(33%)	53,294	75,852	(30%)
Cost of sales	(21,337)	(48,480)	(56%)	(34,533)	(57,999)	(40%)
Gross profit	15,506	6,629	134%	18,761	17,853	5%
Other (expenses)/income	(85,329)	(43,544)	96%	(53,404)	7,907	NM
Selling and distribution expenses	(2,284)	(575)	297%	(2,631)	(1,197)	120%
Administrative and other expenses	(15,044)	(15,944)	(6%)	(28,704)	(31,760)	(10%)
Finance costs	(15,429)	(7,434)	108%	(26,836)	(15,232)	76%
(Loss) before income tax	(102,580)	(60,868)	69%	(92,814)	(22,429)	314%
Income tax expenses	(3)	(84)	(96%)	(7)	(103)	(93%)
Net (loss) for the period	(102,583)	(60,952)	68%	(92,821)	(22,532)	312%
Other comprehensive (loss)/income						
Currency translation difference	(934)	(21,380)	(96%)	4,355	(19,570)	NM
Total Comprehensive (loss) for the period	(103,517)	(82,332)	26%	(88,466)	(42,102)	110%
(Loss)/Profit attributable to:						
Equity holders of the Company	(102,707)	(58,873)	74%	(90,329)	(18,279)	394%
Non-controlling interest	124	(2,079)	NM	(2,492)	(4,253)	(41%)
	(102,583)	(60,952)	68%	(92,821)	(22,532)	312%
Total comprehensive (loss)/profit attributable to:						
Equity holders of the Company	(103,641)	(80,253)	29%	(85,974)	(37,849)	127%
Non-controlling interest	124	(2,079)	NM	(2,492)	(4,253)	(41%)
	(103,517)	(82,332)	26%	(88,466)	(42,102)	110%

*NM = Not meaningful



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1(a)(i) *An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued).*

Explanatory Notes:

As a result of the restructuring exercise of our Company and its subsidiaries (the “**Group**”) (the “**Restructuring Exercise**”) for the purpose of the Company’s listing on the SGX-ST (the “**Invitation**”), common control over our operating subsidiaries in the People’s Republic of China (“**PRC**”) by our shareholders prior to the Invitation could not be established from the start of 1 January 2006 due to changes in legal ownership of our operating subsidiaries.

Please refer to the section titled “*Restructuring Exercise*” in our Prospectus dated 31 March 2010 (the “**Prospectus**”) for more details on the Restructuring Exercise.

The application of the purchase method under the Singapore Financial Reporting Standards 103 (the “**SFRS 103**”) for the acquisition of the PRC subsidiaries by our Group requires, *inter alia*, the development properties and property held for sale by the respective PRC subsidiary to be recorded at fair value at the respective dates of acquisition by our Group.

As a result, our gross profits and earnings for the second quarter and half year ended 30 June 2018 (“1H2018”) and for the second quarter and half year ended 30 June 2019 (“1H2019”), as well as future financial periods/years based on the Actual Consolidated Financial Statements (as defined in the Prospectus) maybe lower than those that would be prepared under the Proforma Consolidated Financial Statements (as defined in the Prospectus).

Please refer to the risk factor titled “*Our gross profits and earnings for FY2009 and future financial periods/years based on the Actual Consolidated Financial Statements would be lower than those that would be prepared under the Proforma Consolidated Financial Statements mainly due to fair value adjustments to our future cost of property development sales in the Actual Consolidated Financial Statements as a result of application of Singapore Financial Reporting Standards 103 – Business Combinations (“SFRS 103”)*” in the Prospectus for more details.

Accordingly, besides the unaudited consolidated financial statements for 2Q2018 and 2Q2019 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 2Q2018 and 2Q2019 (the “**Proforma Consolidated Financial Statements**” or “**Proforma CFS**”) **for illustrative purposes only**, based on certain assumptions and after making certain adjustments to show what the financial results of our Group would have been, if it had been in place since 1 January 2006.

Notwithstanding the above, such notional accounting adjustments (the “**Notional Adjustment**”) have no bearing on the operating cash flow or the cash position of our Group.



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1(a)(ii) Profit before income tax is arrived at after charging/ (crediting):

	Actual Consolidated Statement of Comprehensive Income					
	2Q2019	2Q2018	% Change	1H2019	1H2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	565	582	(3%)	1,134	1,115	2%
Interest expense	15,429	7,434	207%	26,836	15,232	176%
Interest income	(840)	(385)	118%	(972)	(722)	35%
Exchange (gain)/loss	934	21,380	(96%)	(4,355)	19,570	NM*

	Proforma Consolidated Statement of Comprehensive Income					
	2Q2019	2Q2018	% Change	1H2019	1H2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	565	582	(3%)	1,134	1,759	(36%)
Interest expense	15,429	7,434	207%	26,836	15,232	176%
Interest income	(840)	(385)	118%	(972)	(722)	35%
Exchange (gain)/loss	934	21,380	(96%)	(4,355)	19,570	NM*

*NM = Not meaningful



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

STATEMENTS OF FINANCIAL POSITION

	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.06.2019 RMB'000	31.12.2018 RMB'000	30.06.2019 RMB'000	31.12.2018 RMB'000	30.06.2019 RMB'000	31.12.2018 RMB'000
Assets						
Current assets						
Cash and bank equivalents	70,725	21,997	70,725	21,997	32	35
Restricted cash and cash equivalents	208,200	198,076	208,200	198,076	-	-
Trade and other receivables	830,500	820,421	830,501	820,422	228,930	228,931
Amount due from related parties	18,177	19,110	18,177	19,110	-	-
Due from subsidiaries	-	-	-	-	712,855	715,065
Inventories	267	248	267	248	-	-
Property held for sales	11,850	12,161	3,156	3,467	-	-
Development properties	1,199,942	1,286,984	944,193	1,031,235	-	-
Asset held for sales	2,000	1,300	2,000	1,300	-	-
Dividends receivable	-	-	-	-	23,850	23,669
Total current assets	2,341,661	2,360,297	2,077,219	2,095,855	965,667	967,700
Non-current Assets						
Prepaid land use right	1,730	1,730	1,730	1,730	-	-
Property, plant and equipment	16,604	17,674	13,953	15,023	-	-
Investment properties	2,043,795	2,044,192	2,043,795	2,044,192	-	-
Trade and other receivables	21,869	21,855	21,869	21,855	-	-
Investment in subsidiaries	-	-	-	-	1,018	1,018
Deferred tax assets	17,309	17,309	17,309	17,309	-	-
Total non-current assets	2,101,307	2,102,760	2,098,656	2,100,109	1,018	1,018
Total assets	4,442,968	4,463,057	4,175,875	4,195,964	966,685	968,718
Liabilities and shareholders' equity						
Current liabilities						
Bank and other loans	390,595	397,129	390,595	397,129	-	-
Trade and other payables	978,896	960,814	978,896	960,814	106,198	105,509
Long term payable-current portion	24,779	24,779	24,779	24,779	-	-
Dividends Payable	7,440	-	7,440	-	-	-
Tax payables	64,691	64,684	64,691	64,684	34,585	34,325
Total current liabilities	1,466,401	1,447,406	1,466,401	1,447,406	140,783	139,834
Non-current liabilities						
Bank and other loans	1,373,601	1,376,579	1,373,601	1,376,579	-	-
Long term payable	140,209	143,809	140,209	143,809	-	-
Deferred tax liabilities	293,391	293,391	227,823	227,823	-	-
Total non-current liabilities	1,807,201	1,813,779	1,741,633	1,748,211	-	-
Shareholders' equity	1,169,366	1,201,872	967,841	1,000,347	825,902	828,884
Total liabilities and Shareholders' equity	4,442,968	4,463,057	4,175,875	4,195,964	966,685	968,718



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1(b)(i) *A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year (continued).*

Explanatory Notes:

The main differences in the balance sheet between the Actual Consolidated Financial Statements and the unaudited Proforma Consolidated Financial Statements relate to (i) the recording of the attributed fair values of certain assets (such as property held for sales, and development properties as well as the associated tax effect on fair value these tangible assets) as at the respective dates of legal completion of the acquisitions of each PRC subsidiary as the book values of these assets in the Actual Consolidated Financial Statements, as compared with the unaudited Proforma Consolidated Financial Statements where the corresponding values of these assets were based on the historical purchase costs of the respective assets by the PRC subsidiaries; and (ii) the impact of the different comprehensive income statements between Actual Consolidated Financial Statements and the unaudited Proforma Consolidated Financial Statements as mentioned in the preceding section. Please refer to item 1(a)(i) Explanatory Notes for more details.

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 and was previously accounted using the equity method, should be accounted to recognise 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)(Details please refer to the Company's announcement dated on 2 April 2015).

The restatement does not have any effect on the Group's net assets and profit after tax as previously announced in the 1Q2014 Results Announcement.

1(b)(ii) *Aggregate amount of group's borrowings and debt securities*

	Group (Actual CFS)	
	30.06.2019	31.12.2018
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:		
Secured	390,595	397,129
Sub-total (1)	390,595	397,129
Amount repayable after one year		
Secured	1,373,601	1,376,579
Sub-total (2)	1,373,601	1,376,579
Total debt (1)+(2)	1,764,196	1,773,708



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1(b)(ii) *Aggregate amount of group's borrowings and debt securities (continued)*

The following loans are still outstanding:

(a) Bank loans

1. Loans from a lender amounting to RMB 12,000,000 (2018: RMB 12,000,000) with an effective interest rate at 4.0% to 7.0% (2018: 4.0% to 7.0%) per annum, are secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2019.
2. Loans from a lender amounting to RMB 9,500,000 (2018: RMB 9,500,000) with an effective interest rate at 4.0% to 7.0% (2018: 4.0% to 7.0%) per annum, are secured by restricted cash and cash equivalents and repayable in 2019.
3. Loans from a lender amounting to RMB 12,000,000 (2018: Nil) with an effective interest rate at 4.35% to 8.5% (2018: Nil) per annum, are secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2020.
4. Loans from a lender amounting to RMB 9,500,000 (2018: Nil) with an effective interest rate at 4.35% to 8.5% (2018: Nil) per annum, are secured by restricted cash and cash equivalents and repayable in 2020.
5. Loans from a lender amounting to RMB 15,000,000 (2018: RMB 15,000,000) with an effective interest rate from 5.66% to 7.35% (2018: 5.66% to 7.35%) per annum, are secured by investment properties and repayable in 2019.
6. Loans from a lender amounting to RMB 831,000 (2018: RMB 1,000,000) with an effective interest rate at 9.55% (2018: 9.55%) per annum, are unsecured and repayable in 2021.
7. Loans from a lender amounting to RMB 347,788,000 (2018: RMB 350,847,000) with an effective interest rate from 6.86% to 7.35% (2018: 6.86% to 7.35%) per annum, are secured by a shareholder of the Group and subsidiaries, land use rights of the Group, property, plant and equipment and investment properties and repayable in 2032 to 2036 (2018: repayable in 2018).
8. Loans from a lender amounting to RMB 171,605,000 (2018: RMB 175,820,000) with an effective interest rate from 3.00% to 4.30% (2018: 3.00% to 4.30%) per annum, are secured by restricted cash and cash equivalents and repayable in 2019 (2018: repayable in 2018).
9. Loans from a lender amounting to RMB 10,000,000 (2018: RMB 15,000,000) with an effective interest rate at 5.22% to 5.88% (2018: 5.01% to 5.22%) per annum, are secured by investment properties and repayable in 2020.



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1(b)(ii) *Aggregate amount of group's borrowings and debt securities (continued)*

(a) Bank loans

10. Loans from a lender amounting to RMB 2,850,000 (2018: Nil) with an effective interest rate at 9.5% (2018: Nil) per annum, are secured by commercial bills and repayable in 2020.

(b) Other loans

1. Loans from a lender amounting to RMB 1,031,100,000 (2018: RMB 1,031,850,000) with an effective interest rate from 11.00% to 13.00% (2018: 9.92% to 11.00%) per annum, are secured by a shareholder of the Group and subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties and repayable in 2020.
2. A loan from a lender amounting to RMB 12,486,000 (2018: RMB 12,486,000) is interest free, unsecured and repayable on demand.
3. Loans were raised together with a contractor for a total of RMB 9,577,000 with interest rates ranging from 7% to prime rate, repayable within one (1) to ten (10) years, secured by certain land use rights.
4. To support the Group's operating cash flows requirements, the Group obtained loans from individuals and other non-financial institutions amounting to RMB 119,959,000. These loans bore average annual interest rates from 18% to 38%, are secured either by a guarantee given by a subsidiary, secured over properties held for sale, land use rights or investment properties of the Group. These loans are repayable within the next twelve months.



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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period for the immediately preceding financial year.

	Actual CFS			
	2Q2019	2Q2018	1H2019	1H2018
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss) before tax	(102,580)	(61,048)	(92,814)	(22,609)
Adjustments for:				
Depreciation and amortisation	565	582	1,134	1,115
Interest expense	15,429	7,434	26,836	15,232
Interest income	(840)	(385)	(972)	(722)
Gain on disposal on available for sale assets	(1,528)	-	(1,528)	-
Loss on disposal of subsidiary	41,179	-	41,179	-
Impairment loss on available for sale assets	17,963	-	17,963	-
Unrealized exchange (loss) /gain	(4,109)	(21,380)	1,180	(19,570)
Operating (loss) before working capital changes	(33,921)	(74,797)	(3,966)	(26,554)
Trade and other receivables	(58,624)	(80,529)	(10,093)	24,520
Development properties	120,097	(43,375)	87,042	(19,043)
Property held for sales	131	(3,188)	311	807
Amount due from customers for contract work	-	(74,801)	-	(1)
Inventories	(17)	-	(19)	-
Trade and other payables	30,677	188,760	18,082	(43,212)
Amounts due from related parties, net	1,023	-	933	-
Long term payables	(3,600)	-	(3,600)	-
Net cash generated from/(used in) operations	55,766	(87,930)	85,634	(63,483)
Interest paid	(15,429)	(7,434)	(26,836)	(15,232)
Interest received	840	385	972	722
Income taxes (paid)/recover	738	938	(7)	(36,937)
Net cash generated from/(used in) operating activities	41,915	(94,041)	59,763	(114,930)
Cash flows from investing activities				
Disposal of properties, plant and equipment	(21)	-	-	-
Purchases of properties, plant and equipment	(64)	(62)	(64)	(525)
(Decrease)/Increase in investment property, net	(59)	(69)	397	(2,013)
Proceeds from disposal of available for sale assets	2,828	-	2,828	-
Assets held for sale	(2,000)	-	(2,000)	-
Disposal of other investment	-	(24)	-	(68)
Net cash generated from/(used in) investing activities	684	(155)	1,161	(2,606)
Cash flows from financing activities				
Fixed deposit & restricted cash	64	(42)	(10,124)	9,912
Drawing/(Repayment) of bank and other loans, net	8,935	68,836	(9,512)	103,985
Dividends payables	7,440	-	7,440	-
Net cash generated from/(used in) financing activities	16,439	68,794	(12,196)	113,897
Net (decrease)/increase in cash and cash equivalents	59,038	(25,402)	48,728	(3,639)
Cash and cash equivalents at the beginning of the periods	11,687	67,929	21,997	46,166
Cash and cash equivalents at the end of the periods	70,725	42,527	70,725	42,527



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1(c) A cashflow statement (for the group), together with a comparative statement for the corresponding period for the immediately preceding financial year (continued).

	Proforma CFS			
	2Q2019	2Q2018	1H2019	1H2018
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss) before tax	(102,580)	(61,048)	(92,814)	(22,609)
Adjustments for:				
Depreciation and amortisation	565	582	1,134	1,115
Interest expense	15,429	7,434	26,836	15,232
Interest income	(840)	(385)	(972)	(722)
Gain on disposal of available for sale assets	(1,528)	-	(1,528)	-
Loss on disposal of subsidiary	41,179	-	41,179	-
Impairment loss on available for sale assets	17,963	-	17,963	-
Unrealized exchange (loss)/gain	(4,109)	(21,380)	1,180	(19,570)
Operating (loss) before working capital changes	(33,921)	(74,797)	(3,966)	(26,554)
Trade and other receivables	(58,624)	(80,529)	(10,093)	24,520
Development properties	120,097	(43,375)	87,042	(19,043)
Property held for sales	131	(3,188)	311	807
Amount due from customers for contract work	-	(74,801)	-	(1)
Inventories	(17)	-	(19)	-
Trade and other payables	30,677	188,760	18,082	(43,212)
Amounts due from related parties, net	1,023	-	933	-
Long term payables	(3,600)	-	(3,600)	-
Net cash generated from/(used in) operations	55,766	(87,930)	85,634	(63,483)
Interest paid	(4,022)	(7,434)	(15,429)	(15,232)
Interest received	840	385	972	722
Income taxes (paid)/recover	738	938	(7)	(36,937)
Net cash generated from/(used in) operating activities	41,915	(94,041)	59,763	(114,930)
Cash flows from investing activities				
Disposal of properties, plant and equipment	(21)	-	-	-
Purchases of properties, plant and equipment	(64)	(62)	(64)	(525)
(Increase)/Decrease in investment property, net	(59)	(69)	397	(2,013)
Proceeds from disposal of available for sale assets	2,828	-	2,828	-
Assets held for sale	(2,000)	-	(2,000)	-
Disposal of other investment	-	(24)	-	(68)
Net cash generated from/(used in) investing activities	684	(155)	1,161	(2,606)
Cash flows from financing activities				
Fixed deposit & restricted cash	64	(42)	(10,124)	9,912
Drawing/(repayment) of bank and other loans, net	8,935	68,836	(9,512)	103,985
Dividends payables	7,440	-	7,440	-
Net cash generated from/(used in) financing activities	16,439	68,794	(12,196)	113,897
Net (decrease)/increase in cash and cash equivalents	59,038	(25,402)	48,728	(3,639)
Cash and cash equivalents at the beginning of the periods	11,687	67,929	21,997	46,166
Cash and cash equivalents at the end of the periods	70,725	42,527	70,725	42,527

Explanatory Notes:

Notwithstanding the fair value adjustments to the cost of property development sales of existing development properties during the Restructuring Exercise, such fair value adjustments do not affect the operating cash flows from existing development properties.



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group - Actual CFS								
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2018	909,831	263,124	11,611	23,887	86,726	-	1,295,179	(11,699)	1,283,480
Total comprehensive (loss) for the period	-	(18,457)	(19,571)	-	-	-	(38,028)	(4,253)	(42,281)
Balance as at 30 June 2018	909,831	244,667	(7,960)	23,887	86,726	-	1,257,151	(15,952)	1,241,199
Balance as at 1 January 2019	909,831	98,089	(2,249)	23,887	86,726	-	1,120,476	78,148	1,194,432
Total comprehensive profit/ (loss) for the period	-	(90,329)	4,355	-	-	-	(85,974)	(2,492)	(88,466)
Acquisition of subsidiary	-	-	-	-	-	-	-	63,400	63,400
Balance as at 30 June 2019	909,831	7,760	2,106	23,887	86,726	-	1,034,502	139,056	1,169,366

	Group - Proforma CFS									
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Proforma Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2018	909,831	198,361	11,610	(148,414)	31,442	86,726	3,919	1,093,476	(11,699)	1,081,777
Total comprehensive (loss) for the period	-	(18,279)	(19,570)	-	-	-	-	(37,849)	(4,253)	(42,102)
Balance as at 30 June 2018	909,831	180,082	(7,960)	(148,414)	31,442	86,726	3,919	1,055,626	(15,952)	1,039,674
Balance as at 1 January 2019	909,831	33,504	(2,249)	(148,414)	31,442	86,726	3,919	918,951	78,148	992,907
Total comprehensive profit/(loss) for the period	-	(90,329)	4,355	-	-	-	-	(85,974)	(2,492)	(88,466)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	63,400	63,400
Balance as at 30 June 2019	909,831	(56,825)	2,106	(148,414)	31,442	86,726	3,919	832,977	139,056	967,841



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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.

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
Balance as at 1 January 2018	909,831	(66,187)	(2,153)	841,491
Total comprehensive (loss) for the period	-	(1,753)	(4,918)	(6,671)
Balance as at 30 June 2018	909,831	(67,940)	(7,071)	834,820
Balance as at 1 January 2019	909,831	(105,629)	24,682	828,884
Total comprehensive profit/(loss) for the period	-	(9,133)	6,151	(2,982)
Balance as at 30 June 2019	909,831	(114,762)	30,833	825,902

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 also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and at the end of the immediately preceding year.

There are no treasury shares as at 30 June 2019 and 31 December 2018 respectively.

Number of ordinary shares and share capital of our Company as at the balance sheet dates:

	30.06.2019		31.12.2018	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	74,999,688	143,750

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Nil.

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 Company's auditors.



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3. *Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).*

Not applicable.

4. *Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.*

The Group has applied the same accounting policies and methods of computation in its unaudited financial statements for 2Q2019 as those of the audited financial statements for the year ended 31 December 2018, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2019. The adoption of all new and revised FRSs has no material effect on the 2Q2019 unaudited 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.*

Nil.

6. *Earnings per ordinary share (EPS) 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.*

RMB fens	Actual CFS			
	2Q2019	2Q2018	1H2019	1H2018
Profit (Loss) Per Share				
Basic (a)	(136.94)	(78.74)	(120.44)	(24.61)

RMB fens	Proforma CFS			
	2Q2019	2Q2018	1H2019	1H2018
Profit (Loss) Per Share				
Basic (a)	(136.94)	(78.50)	(120.44)	(24.37)

(a) Earnings per share has been computed based on the ordinary shares capital of 74,999,688 shares i.e.: number of ordinary shares issued and paid-up, please refer to item 1(d)(iii).

7. *Net asset value (for the issue and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.*

RMB	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Net asset value per ordinary share based on issued share capital at end of financial year*	15.59	16.03	12.90	13.34	11.01	11.05

* Net asset value per share has been computed based on the ordinary shares capital of 74,999,688 shares i.e.: number of ordinary shares issued and paid-up, please refer to item 1(d)(iii).



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8. *A review of 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 factor 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*
- (b) *any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.*

Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial statements and our Proforma Consolidated Financial statements for 2Q2019 and 1H2019

	30.06.2019		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
<u>Balance sheet items</u>			
Property held for sales	11,850	3,156	8,694
Development properties	1,199,942	944,193	255,749
Property, plant and equipment	16,604	13,953	2,651
Deferred tax liabilities	293,391	227,823	65,568
Shareholders' equity	1,173,558	972,033	201,525

	2Q2019		Difference	1H2019		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Comprehensive income statements items</u>						
Cost of sales	(21,337)	(21,337)	-	(34,533)	(34,533)	-
Other income	(85,329)	(85,329)	-	(53,404)	(53,404)	-
Administrative and other expenses	(15,044)	(15,044)	-	(28,704)	(28,704)	-
Income tax expense	(3)	(3)	-	(7)	(7)	-
Loss for the period	(102,583)	(102,583)	-	(92,821)	(92,821)	-

* Based on the unaudited Actual Consolidated Financial Statements.

** Based on the unaudited Proforma Consolidated Financial Statements.

*** Refer to Explanatory Notes 1(a)(i) and 1(b)(i).



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8. *A review of 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 (continued):*

Review based on our unaudited Actual Consolidated Financial Statements

Income statement

Revenue

The Group's revenue decreased by RMB 22.6 million, or 30%, from RMB 75.9 million in 1H2018 to RMB 53.3 million in 1H2019. This was mainly caused by a decrease in construction contracts revenue by RMB 12.7 million, as well as in property sale revenue by RMB 3.2 million.

Cost of Sales and Gross Profit

Cost of sales decreased by RMB 23.5 million, or 40%, from RMB 58.0 million in 1H2018 to RMB 34.5 million in 1H2019. This was mainly due to a decrease in construction contracts income, which resulted in costs being decreased by RMB 18.5 million in 1H2019 compared with the previous corresponding period.

In terms of gross profit margin, our overall gross profit margin increased from 23.5% in 1H2018 to 35.2% in 1H2019, as a result of an increase in the proportion of property rental income in total revenue, which has a higher gross profit margin.

With the exclusion of the non-cash fair value adjustment on the cost of property development sales due to the application of SFRS 103 (the "SFRS 103 Adjustment"), the Proforma gross profit margins attained are 23.5% and 35.2% in 1H2018 and 1H2019 respectively.

Other Income/Loss

Other operating income mainly includes interest income, foreign exchange gain and miscellaneous income, the majority of which is surcharge income from property management services.

Other income decreased by RMB 61.1 million from RMB 7.7 million in 1H2018 resulting in other expenses of RMB 53.4 million in 1H2019, which was mainly due to the disposal loss of 43% shareholdings and the impairment loss of the remaining 19% shareholdings in Profit Consortium Sdn.Bhd. in 2Q2019, amounting to approximately RMB 59.1 million, partially offset by the gain in disposal of assets held for sales of approximately RMB 1.5 million.



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8. *A review of 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 (continued):*

Selling and Distribution Expenses

Selling expenses primarily included staff cost, advertising and promotion expenses, sales commissions, sales offices rental expenses and maintenance costs.

The selling and distribution expenses increased by RMB 1.4 million in 1H2019 compared with the previous corresponding period. The higher selling and distribution expenses in 1H2019 were due mainly to expenses incurred in the marketing of the property development project in Sihui city.

Administrative and Other Expenses

Administrative expenses comprise various expenses such as salaries and staff-related expenses of general administrative staff, utilities, depreciation charges for building and office equipment, telecommunication expenses, entertainment expenses, professional fees, travelling expenses, foreign exchange loss and other general office overheads expenses.

Administrative expenses decreased by RM 3.1 million from RMB 31.8 million in 1H2018 to RMB 28.7 million in 1H2019. It is mainly attributable to the Group's efforts to control the salary and bonus expenses.

Finance Costs

Finance cost, net of capitalised interest, recorded an increase of RMB 8.0 million and RMB 11.6 million in 2Q2019 and 1H2019 respectively mainly due to an exiting loan with a higher interest rate.

Depreciation

Depreciation relates to the depreciation charge on properties, plant and equipment.

Income Tax Expenses

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”).

Net Loss

The Group recorded a net loss of RMB 92.8 million in 1H2019, compared to a net loss of RMB 22.7 million in 1H2018. The Proforma CFS, which without the Notional Adjustment this period, with a same comparability of the Group's performance, has presented a net loss of RMB 92.8 million in 1H2019 and a net loss of RMB 22.5 million in 1H2018.



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8. *A review of 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 (continued):*

Statement of Financial Position as at 30 Jun 2019

Current Assets

Current assets comprise mainly development properties, cash and bank balances, restricted cash and cash equivalents and trade and other receivables. Current assets amounted to approximately RMB 2,341.7 million compared to approximately RMB 2,360.3 million a year ago.

The largest component of current assets are development properties, restricted cash and cash equivalents and trade and other receivables, which stood at RMB 2,238.6 million, compared to RMB 2,305.5 million a year ago.

Development properties, which include the cost of land, interest capitalised, and related costs, was approximately RMB 1,199.9 million compared to RMB 1,287.0 a year ago. The disposal of shareholdings in Profit Consortium Sdn.Bhd. resulted in a decrease in development properties by approximately RMB 108 million, partially offset by the increase of property development project located in Sihui city.

The Group's cash and bank balances increased by RMB 48.7 million to RMB 70.7 million as compared to 31 December 2018. This was primarily attributable to the net cash generated from operating activities of RMB 59.8 million.

In addition, restricted cash stood at RMB 208.2 million, approximately 5.1% more than the RMB 198.1 as at 31 December 2018.

Trade and other receivables stood at approximately RMB 830.5 million, approximately 1.2% more than the RMB 820.4 million as at 31 December 2018.

Non-current assets

Non-current assets comprised mainly investment properties, long-term investments, plant and equipment. This amounted to RMB 2,101.3 million slightly lower than the RMB 2,102.7 million as at 31 December 2018.



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8. *A review of 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 (continued):*

The investment properties are held to earn rental income and/or for capital appreciation. Our investment properties comprised mainly our Debao Hotel Complex together with the adjacent land and underground car parks, commercial premises located in Debao Garden and Jiangnan Mingju, car parks located in Debao Garden, Tianjin Boulevard buildings and Sihui City Mall. The net book value of investment properties remained relatively unchanged at RMB 2,043.8.

Current liabilities

Trade and other payables, which mainly comprised amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB 978.9 million, approximately 1.9% more than the RMB 960.8 million as at 31 December 2018.

Bank and Other Loans

Please refer to item 1(b)(ii).

Shareholders' equity

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to

- a) 32% shareholdings held by the minority interest in a PRC subsidiary, Guangxi Hezhou De Neng Mining Co., Ltd,
- b) 42.2% shareholdings held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co., Ltd,
- c) 60% shareholdings held by the minority interest in a PRC subsidiary, Foshan Nanhai Chuang Xin Tian Hotel Management Co., Ltd,
- d) 19% shareholdings held by the minority interest in a PRC subsidiary, Sihui Debao Jiangnan Mingju Property Development Co.,Ltd
- e) 50% shareholdings held by the minority interest in a Malaysia subsidiary, Poly Ritz Green (Malaysia) Sdn. Bhd.

Shareholders' equity amounted to RMB 1,173.6 million, representing a slight decrease from RMB 1,206.1 million in 31 December 2018, due to the loss generated in this period.



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8. *A review of 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 (continued):*

Cash flow statement

The Group has a net cash outflow in operating activities of RMB 59.8 million in 1H2019, which comprised operating cash outflows before decrease in working capital of RMB 15.3 million, in addition to net working capital generated from operations of RMB 89.6 million and adjusted by net use of finance cost and interest received as well as income tax of RMB 14.5 million. The net working capital inflows were mainly due to the net cash inflow in development properties during the current reporting period.

The net cash inflow in investing activities is RMB 1.1 million.

The Group recorded a net cash outflow in financing activities of RMB 12.2 million during 1H2019. This was mainly due to repayment of bank and other loans.

With the above, the Group has a net increase in cash and cash equivalents of RMB 48.7 million for 1H2019, bringing the balance to RMB 70.7 million as at 30 June 2019.

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

The results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement for the full year ended 31 December 2018.



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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.*

Market Outlook

As a result of the Government's policy to curb speculation, the property average selling price has become stable. Transaction volumes have increase from 2.6 million sqm in 1Q2019 to 3.7 million sqm (See Note 1 below) in 2Q2019, an increase of approximately 42.3%.

Project Updates

As at 30 June 2019, the Group has three development projects with GFA of approximately 0.34 million sqm under development as follows:

Projects located at Kuala Lumpur in Malaysia:

- 1) Project Imbi (Construction of the twin residential towers commenced in August 2018, pre-sale expected in third quarter of 2019);
- 2) Project Kuchai Lama (Construction of five towers - including offices, residential and service apartments/hotel. Construction has yet to commence); and
- 3) Project Plaza Rakyat (Project comprises hotel, shopping centre, one office tower and three residential towers. Construction has yet to commence. 43% of the shares in Pavillion Treasures Land and Development Sdn. Bhd. were sold in 2Q2019. For details, please refer to the Company's announcement dated 29 April 2019). Sale of remaining 19% of the shares in Pavillion Treasures Land and Development Sdn. Bhd. has been announced, please see announcement dated 25 July 2019 for more details.

These are expected to be separately completed in various phases up till 2023. Financing for these projects are currently being arranged.

Projects located in the PRC:

- 1) Tianjin Boulevard - a redevelopment project (hotel and shopping mall) in Tianjin HePing District, Nanshi Hotels Street (天津市和平区南市旅馆街); and
- 2) Sihui City Mall Phase 2 - a residential and shopping mall development project with a planned GFA of approximately 104,426 sqm.

The Group continuously sources for quality and commercially viable new land reserves both in China and overseas, including retail mall development, redevelopment of industrial land as well as tourism development projects.



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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 (continued).*

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 30 June 2019 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden–South Zone	841,118	86,293	9,747	100%
Jiangnan Mingju Phases 5 and 6	994,615	146,075	6,809	100%
Sihui City Mall	376,971	58,137	6,484	100%
Total	2,212,704	290,505	7,617	NA

The accumulated sales/pre-sales (See Note 2 below) status of our projects for 1H2019 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden – South Zone	218	63	3,460	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	-	-	-	100%
Total	218	63	3,460	NA

The sales/pre-sales (See Note 2 below) of our projects for 2Q2019 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden – South Zone	-	-	-	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	-	-	-	100%
Total	-	-	-	NA

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Mingju Phases 5 and 6 in 1H2019 have been recognised as revenue in the current reporting periods. The sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-ventured project) have also been recognised in 1H2019 when handed over.

Notes

- (1) Source from Bureau of Housing and Urban-Rural Development of Foshan (<http://www.fsjw.gov.cn/zwgk/zdxxgk/fdcsc/sjtj/>)
- (2) Sales/pre-sales with certainty on receipt of purchase consideration, including those not ready for handover or key collections



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11. *Dividend*

(a) *Current Financial Period Reported on*

None.

(b) *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.*

The Group recorded a net loss for 1H2019.

13. *Interested Person Transactions*

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 1H2019	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 1H2019
Zhong Yu Xin ⁽¹⁾	S\$ 337,085 ⁽²⁾	-
Yuan Le Sheng ⁽³⁾	S\$ 88,605 ⁽⁴⁾	-

Notes:

- (1) Mr. Zhong Yu Xin is the brother of our Executive Director and CEO, Mr. Zhong Yu Zhao.
- (2) Lease of Debao Hotel.
- (3) Mr. Yuan Le Sheng is the father of our Executive Director, Mr. Yuan Jia Jun and the company's controlling shareholder
- (4) Consultancy fee

BY ORDER OF THE BOARD

Zhong Yu Zhao
Executive Director and CEO
13 August 2019



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Confirmation by the Board

We, Zhong Yu Zhao and Yuan Jia Jun, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the three months ended 30 June 2019 results to be false or misleading in any material respect and we confirm that the Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Zhong Yu Zhao
Executive Director and CEO

Yuan Jia Jun
Executive Director

13 August 2019