



以人为本 稳定发展 房产先锋

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2016 ("4Q2016 and FY2016")

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY ("1Q", "2Q", "3Q" & "4Q"), HALF-YEAR AND FULL YEAR 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)					
	4Q2016	4Q2015	% Change	FY2016	FY2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	293,532	204,879	43%	349,376	280,359	25%
Cost of sales	(259,500)	(167,379)	55%	(300,782)	(209,119)	44%
Gross profit	34,032	37,500	(9%)	48,594	71,240	(32%)
Other income	(30,166)	32,476	(193%)	7,461	38,245	(80%)
Selling and distribution expenses	(12,955)	(7,002)	85%	(23,045)	(22,817)	1%
Administrative expenses	(70,769)	(58,004)	22%	(110,781)	(110,844)	(0%)
Other operating expense	(33,735)	(48,172)	(30%)	(33,735)	(48,172)	(30%)
Change in fair value of investment	98,003	273,745	(64%)	98,003	273,745	(66%)
Finance costs	(102,035)	20,517	(597%)	(152,143)	(98,552)	54%
Loss before income tax	(117,625)	251,060	(147%)	(165,646)	102,845	(261%)
Income tax (expenses) credit	(34,975)	(74,302)	(53%)	(35,813)	(76,694)	(53%)
Net loss for the period	(152,600)	176,758	(186%)	(201,459)	26,151	(870%)
Other comprehensive income (loss)						
Currency translation difference	7,685	(4,868)	(258%)	(27,169)	9,762	(378%)
Total Comprehensive loss for the period	(144,915)	171,890	(184%)	(228,628)	35,913	(737%)
Loss attributable to:						
Equity holders of the Company	(150,040)	176,309	(185%)	(192,852)	34,291	(662%)
Non-controlling interest	(2,560)	449	(670%)	(8,607)	(8,140)	6%
	(152,600)	176,758	(186%)	(201,459)	26,151	(870%)
Total comprehensive loss attributable to:						
Equity holders of the Company	(142,355)	171,441	(183%)	(220,021)	44,053	(599%)
Non-controlling interest	(2,560)	449	(670%)	(8,607)	(8,140)	6%
	(144,915)	171,890	(184%)	(228,628)	35,913	(737%)



以人为本 稳定发展 房产先锋

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)					
	4Q2016	4Q2015	% Change	FY2016	FY2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	293,532	204,879	43%	349,376	280,359	25%
Cost of sales	(258,185)	(156,879)	65%	(298,916)	(197,984)	51%
Gross profit	35,347	48,000	(26%)	50,460	82,375	(39%)
Other income	(30,166)	32,476	(193%)	7,461	38,245	(80%)
Selling and distribution expenses	(12,955)	(7,002)	85%	(23,045)	(22,817)	1%
Administrative expenses	(70,470)	(57,924)	22%	(110,313)	(110,595)	(0%)
Other operating expense	(33,735)	(48,195)	(30%)	(33,735)	(48,195)	(30%)
Change in fair value of investment	98,003	273,745	(64%)	98,003	273,745	(64%)
Finance costs	(102,035)	20,517	(597%)	(152,143)	(98,552)	54%
Loss before income tax	(116,011)	261,617	(144%)	(163,312)	114,206	(243%)
Income tax (expenses) credit	(35,319)	(76,891)	(54%)	(36,337)	(79,484)	(54%)
Net loss for the period	(151,330)	184,726	(182%)	(199,649)	34,722	(675%)
Other comprehensive income (loss)						
Currency translation difference	62,023	(4,868)	(1374%)	27,169	9,762	178%
Total Comprehensive loss for the period	(89,307)	179,858	(150%)	(172,480)	44,484	(488%)
Loss attributable to:						
Equity holders of the Company	(148,770)	184,277	(181%)	(190,862)	42,862	(545%)
Non-controlling interest	(2,560)	449	(670%)	(8,607)	(8,140)	6%
	(151,330)	184,726	(182%)	(199,649)	34,722	(675%)
Total comprehensive loss attributable to:						
Equity holders of the Company	(86,747)	179,409	(148%)	(163,693)	52,624	(411%)
Non-controlling interest	(2,560)	449	(670%)	(8,607)	(8,140)	6%
	(89,307)	179,858	(150%)	(176,066)	44,484	(488%)



以人为本 稳定发展 房产先锋

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 fourth quarter and year ended 31 December 2015 (“**4Q2015** and **FY2015**”) and for the fourth quarter and year ended 31 December 2016 (“**4Q2016** and **FY2016**”), as well as future financial periods/years based on the Actual Consolidated Financial Statements (as defined in the Prospectus) would be 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 our Prospectus for more details.

Accordingly, besides the unaudited consolidated financial statements for 4Q2015, FY2015, 4Q2016 and FY2016 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 4Q2015, FY2015, 4Q2016 and FY2016 (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.



以人为本 稳定发展 房产先锋

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

	Actual Consolidated Statement of Comprehensive Income					
	4Q2016	4Q2015	% Change	FY2016	FY2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	575	1,517	(62%)	2,697	3,742	(28%)
Amortisation	56	55	2%	223	221	1%
Interest expense	102,035	23,898	327%	152,143	142,967	6%
Interest income	(1,779)	(4,943)	64%	(7,346)	(9,557)	(23%)
Exchange loss (gain)	92,380		-	61,228		-

	Proforma Consolidated Statement of Comprehensive Income					
	4Q2016	4Q2015	% Change	FY2016	FY2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	744	1,460	(49%)	2,697	3,516	(28%)
Amortisation	56	55	2%	223	221	1%
Interest expense	102,035	23,898	327%	152,143	142,967	6%
Interest income	(1,779)	(4,943)	64%	(7,346)	(9,557)	(23%)
Exchange loss (gain)	92,380		-	61,228		-



以人为本 稳定发展 房产先锋

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	
	31.12.2016 RMB'000	31.12.2015 RMB'000	31.12.2016 RMB'000	31.12.2015 RMB'000	31.12.2016 RMB'000	31.12.2015 RMB'000
ASSETS						
Current assets						
Cash and bank equivalents	88,448	177,424	88,448	177,424	38	37
Restricted cash and cash equivalents	364,779	401,751	364,779	401,751	-	-
Trade and other receivables	445,131	380,012	445,131	526,147	6,992	-
Amount due from related parties	20,731	7,064	20,731	7,064	-	-
Due from subsidiaries	-	-	-	-	920,040	610,154
Amount due from contract work	949	590	949	590	-	-
Inventories	262	262	262	262	-	-
Property held for sales	190,384	459,610	181,507	47,890	-	-
Development properties	978,446	2,005,554	722,495	2,164,068	-	-
Prepaid land use right	223	223	223	223	-	-
Asset held for sales	2,652,394	35,000	2,652,394	35,000	-	-
Dividends receivable	-	-	-	-	-	21,572
Total current assets	4,741,747	3,467,490	4,476,919	3,360,419	927,070	631,763
Non-current Assets						
Prepaid land use right	4,364	4,587	4,364	4,587	-	-
Property, plant and equipment	20,959	22,838	18,082	19,735	-	-
Investment properties	2,005,846	2,441,955	2,005,846	2,428,044	-	-
Joint Venture	-	17,462	-	17,462	-	-
Trade and other receivables	10,000	156,135	10,000	10,000	161	-
Investment in subsidiaries	-	-	-	0	1,815	1,815
Other investment	2,849	1,300	2,849	1,300	-	-
Deferred tax assets	16,922	10,223	16,922	10,223	-	-
Goodwill	4,192	4,192	4,192	4,192	-	-
Total non-current assets	2,065,132	2,658,692	2,062,255	2,495,543	1,815	1,815
Total assets	6,806,879	6,126,182	6,539,174	5,855,962	928,885	633,578
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Bank and other loans	1,379,513	1,356,615	1,379,513	1,356,615	-	-
Trade and other payables	983,840	1,239,120	983,843	1,218,457	774	694
Long term payable-current portion	23,420	22,297	23,420	22,297	-	-
Amount due to related parties	17,805	36,887	17,805	36,887	-	-
Due to subsidiaries	-	-	-	0	326,781	47,500
Liability held for sale	1,503,082	-	1,503,082	0	-	-
Tax payables	83,181	78,623	83,181	78,623	-	-
Total current liabilities	3,990,841	2,733,542	3,990,844	2,712,879	327,555	48,194
Non-current liabilities						
Bank and other loans	1,050,564	1,339,036	1,050,564	1,339,036	-	-
Trade and other payables	259	-	259	20,663	-	-
Long term payable	154,725	156,158	154,725	156,158	-	-
Deferred tax liabilities	340,191	399,239	274,520	333,044	-	-
Total non-current liabilities	1,545,739	1,894,433	1,480,068	1,848,901	-	-
Shareholders' equity	1,270,299	1,498,207	1,068,262	1,294,182	601,330	585,384
Total liabilities and Shareholders' equity	6,806,879	6,126,182	6,539,174	5,855,962	928,885	633,578



以人为本 稳定发展 房产先锋

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 do not have any effect on the Group's net assets and profit after tax as previously announced in the 4Q2016 and FY2016 Results Announcement.

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

	Group (Actual CFS)	
	31.12.2016	31.12.2015
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand:-		
Secured (a)	1,377,513	1,333,336
Unsecured (b)	2,000	23,279
Sub-total (1)	1,379,513	1,356,615
Amount repayable after one year		
Secured (a)	1,050,564	1,339,036
Sub-total (2)	1,050,564	1,339,036
Total debt (1)+(2)	2,430,077	2,695,651



以人为本 稳定发展 房产先锋

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

Explanatory Notes:

Bank loans

- (a) Bank loans amounting to RMB11,715,000 (2015: RMB15,098,000) with an interest rate of 6.55% (2015: 6.55%) per annum are repayable from the second half year of 2016 to 2019 and were secured by certain investment properties and land use rights as well as guaranteed by certain directors of the Group. The current portion of these loans amounted to RMB3,740,000 (2015: RMB3,517,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB7,975,000 (2015: RMB11,581,000).

Bank loan amounting to RMB 209,400,000 (2015: RMB209,350,000) with an interest rate of 4.35% to 6.80% (2015: 5.35%) per annum, are repayable in 2017, secured by certain land use rights and property of the Group and restricted cash and cash equivalents of RMB 120,000,000.

Bank loan amounting to RMB100,000,000 (2015: RMB100,000,000) with an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017 or repayable upon demand and were secured by certain land use rights of the Group.

Bank loan amounting to RMB69,000,000 (2015: RMB69,300,000) with an interest rate of 5.66% (2015: 6.72% to 7%) per annum, are repayable in 2017, secured by land use rights and investment properties of the Group.

Bank loan amounting to RMB15,000,000 (2015: RMB38,000,000) with an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017, secured by land use rights and investment property of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB84,000,000 (2015: RMB85,000,000) bears an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017, secured by land use rights of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB30,000,000 (2015: RMB25,000,000) bears an interest rate of 5.0% to 5.18% (2015: 7.04%) per annum, are repayable in 2017, secured by investment property of the Group.

Bank loan amounting to RMB48,000,000 (2015: RMB24,000,000) bears an interest rate of 4.35%(2015: 8.5%) per annum, are repayable in 2017, secured by property held for sales and restricted cash and cash equivalents of RMB24,000,000, and guaranteed by other subsidiaries of the Group.

Bank loan amounting to RMB140,049,000 (2015: RMB208,779,000) bears an interest rate of 3.16% to 3.25% (2015: 3.15% to 3.25%) per annum, are repayable in 2017, secured by restricted cash and cash equivalents of RMB190,650,000.

Bank loan amounting to RMB28,500,000 (2015: RMB32,600,000) bears an interest rate of 5.22% (2015: 5.61% to 5.87%) per annum, are repayable in year-end 2016 and 2017, secured by land use rights of the Group.

Bank loan amounting to RMB49,820,000 (2015: RMB50,000,000) bears an interest rate of 4.79% to 6.09% (2015: 5.87%) per annum, are repayable in 2017, secured by investment property of the Group.



以人为本 稳定发展 房产先锋

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

Bank loan amounting to RMB30,000,000 (2015: RMB80,000,000) bears an interest rate of 4.35 to 5.22%(2015: 6.75%) per annum, are repayable in 2017, secured by land use rights of the Group and restricted cash and cash equivalents of RMB30,000,000.

Bank loan amounting to RMB9,900,000 bears an interest rate of 5.30% per annum, are repayable in 2017, secured by secured by investment property of the Group.

Other loans(secured)

- (a) Loans raised together with a contractor for a total of RMB68,321,000 (2015: RMB116,574,000) with an interest rates ranging from prime rate to 5.66%, repayable within one (1) to ten (10) years, secured by certain land use rights and an investment property of the Group as well as guaranteed by a director of the Group. The loans are repayable on demand.

Other loan amounting to Nil (2015: RMB60,000,000) with an effective interest rate of approximately 15.80% (2015: 15.80%) per annum, has been repaid in 2016, secured by land use rights of the Group and guaranteed by a director of the Group.

Other loan amounting to Nil (2015: RMB49,200,000) with an effective interest rate of approximately 14.54% (2015: 14.54%) per annum, has been repaid in 2016, secured by property held for sales of the Group.

Other loan amounting to RMB384,000,000 (2015: RMB384,000,000) with an effective interest rate of approximately 12.70% (2015: 12.70%) per annum, repayable from 2016 to 2017, secured by land use rights and property under development of the Group. The current portion of these loans amounted to RMB313,560,000 (2015: RMB54,859,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB70,440,000 (2015: RMB329,141,000).

Other loan amounting to RMB29,270,000 (2015: RMB29,520,000) with an effective interest rate of 24% (2015: 36%) per annum, are repayable in 2017, guaranteed by other subsidiary of the Group.

Other loan amounting to RMB38,602,000(2015: RMB49,842,000) with an effective interest rate of 24%(2015: 24%) per annum, are repayable in 2017, guaranteed by other subsidiary of the Group.

Other loan raised amounting to RMB556,000,000(2015: RMB519,578,000) with an effective interest rate of approximately 10% per annum, repayable in 2020, secured by other subsidiaries of the Group, as well as guaranteed by one director of the Group.



以人为本 稳定发展 房产先锋

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

Other loan raised in 2Q2016 amounting to RMB486,500,000 with an effective interest rate of approximately 10% per annum, repayable in 2021, secured by other subsidiaries of the Group, as well as guaranteed by one director of the Group.

Other loan raised in 3Q2016 amounting to RMB40,000,000 with an interest rate of 26.4% per annum, are repayable in 2017, secured by development properties of the Group

Other loans(unsecured)

- (b) Other loan amounting to RMB2,000,000 (2015: RMB5,000,000) with an effective interest rate of 24% per annum, are repayable in 2017 and unsecured.



以人为本 稳定发展 房产先锋

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

	Actual CFS			
	4Q2016	4Q2015	FY2016	FY2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss before tax	(117,625)	251,060	(165,646)	102,845
Adjustments for:				
Depreciation and amortisation	631	1,572	2,920	3,963
(Gain)/Loss on disposal Fixed asset	(479)		(479)	
Interest expense	102,035	23,898	152,143	142,967
Interest income	(1,807)	(4,943)	(7,374)	(9,557)
Impairment & Provision	25,346		25,346	-
Change of fair value of investment properties	(98,003)	(273,745)	(98,003)	(273,745)
Unrealised exchange loss	91,685	31,102	60,533	31,102
Operating loss before working capital changes	1,783	28,944	(30,560)	(2,425)
Trade and other receivables	(93,138)	(230,553)	(104,924)	(108,819)
Development properties	49,940	(309,101)	(561,983)	(539,541)
Property held for sales	213,894	357,293	220,213	373,865
Amounts due from related parties	(16,838)		(16,838)	0
Amount due from customers for contract work	0	420		857
Inventories	0	(6)		(15)
Trade and other payables	(175,103)	(151,850)	171,407	279,359
Amounts due to related parties	7,005	(76,816)	4,842	(94,483)
Net cash (used in) from operations	(12,457)	(381,669)	(317,843)	(91,202)
Interest paid	(122,025)	(64,431)	(242,471)	(272,564)
Interest received	2,864	4,943	8,431	9,557
Income taxes paid	(6,957)	(3,284)	(17,878)	(22,040)
Net cash (used in) from operating activities	(138,575)	(444,441)	(569,761)	(376,249)
Cash flows from investing activities				
Purchases of properties, plant and equipment	497	(117,617)	(571)	(658)
Addition in investment property	(68,572)	(658)	(69,044)	(160,951)
Advance to joint venture	25,618	(17,461)	17,462	(17,461)
Repayment from joint venture	0	186,900		186,900
Proceeds on disposal of investment property	22,942		30,022	
Proceeds on acquire Subsidiary	(33,905)		(33,905)	
Disposal of other investment	(1,549)		(1,549)	500
Net cash from (used in) investing activities	(54,969)	51,164	(57,585)	8,330
Cash flows from financing activities				
Amounts due from related parties	1,478	(5,465)		(3,130)
Fixed deposit	(129)	(42,551)	36,972	(76,989)
Dividend paid	0			(12,061)
Proceeds from bank and other loans	(195,402)	19,297	502,469	1,289,169
Repayment of bank and other loans	340,709	(1,896)		(778,290)
Net cash from financing activities	146,656	(30,615)	539,441	418,699
Net (decrease) increase in cash and cash equivalents	(46,888)	(423,892)	(87,905)	50,780
Cash and cash equivalents at the beginning of the periods	138,896	614,931	177,424	140,322
Effects of exchange rate changes on the balance of cash held in foreign currency	(3,561)	(13,615)	(1,072)	(13,678)
Cash and cash equivalents at the end of the periods	88,448	177,424	88,448	177,424



以人为本 稳定发展 房产先锋

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

	Actual CFS			
	4Q2016	4Q2015	FY2016	FY2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss before tax	(117,821)	261,617	(165,122)	114,206
Adjustments for:				
Depreciation and amortisation	800	1,515	2,920	3,737
(Gain)/Loss on disposal of Fixed Asset	(705)		(705)	
Interest expense	102,035	23,898	152,143	142,967
Interest income	(1,807)	(4,943)	(7,374)	(9,557)
Impairment & Provision	25,346		25,346	
Change of fair value of investment properties	(98,003)	(273,745)	(98,003)	(273,745)
Unrealised exchange loss	91,685	31,102	60,533	31,102
Operating loss before working capital changes	1,530	39,444	(30,262)	8,710
Trade and other receivables	(93,138)	(230,553)	(104,924)	(108,819)
Development properties	450,791	(319,434)	(161,429)	(550,318)
Property held for sales	(188,695)	357,126	(182,630)	373,507
Amounts due from related parties	(16,838)		(16,838)	
Amount due from customers for contract work	0	420		857
Inventories	0	(6)		(15)
Trade and other payables	(173,111)	(151,850)	173,399	279,359
Amounts due to related parties	7,005	(76,816)	4,842	(94,483)
Net cash (used in) from operations	(12,455)	(381,669)	(317,841)	(91,202)
Interest paid	(122,025)	(64,431)	(242,471)	(272,564)
Interest received	2,864	4,943	8,431	9,557
Income taxes paid	(6,957)	(3,284)	(17,878)	(22,040)
Net cash (used in) from operating activities	(138,573)	(444,441)	(569,759)	(376,249)
Cash flows from investing activities				
Purchases of properties, plant and equipment	497	(658)	(571)	(658)
Addition in investment property	(68,572)	(117,617)	(69,044)	(160,951)
Advance to joint venture	25,618	(17,461)	17,462	(17,461)
Repayment from joint venture	0	186,900		186,900
Proceeds on disposal of investment property	22,942		30,022	
Proceeds on acquire Subsidiary	(33,905)		(33,905)	
Disposal of other investment	(1,549)		(1,549)	500
Net cash from (used in) investing activities	(54,969)	51,164	(57,585)	8,330
Cash flows from financing activities				
Amounts due from related parties	1,478	(5,465)		(3,130)
Fixed deposit	(129)	(42,551)	36,972	(76,989)
Dividend paid	0			(12,061)
Proceeds from bank and other loans	(195,402)	19,297	502,469	1,289,169
Repayment of bank and other loans	340,709	(1,896)		(778,290)
Net cash from financing activities	146,656	(30,615)	539,441	418,699
Net (decrease) increase in cash and cash equivalents	(46,886)	(423,892)	(87,903)	50,780
Cash and cash equivalents at the beginning of the periods	138,896	614,931	177,424	140,322
Effects of exchange rate changes on the balance of cash held in foreign currency	(3,561)	(13,615)	(1,072)	(13,678)
Cash and cash equivalents at the end of the periods	88,448	177,424	88,448	177,424



DEBAO PROPERTY
DEVELOPMENT LTD.
德宝房地产开发有限公司



以人为本 稳定发展 房产先锋

Explanatory Notes:

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



以人为本 稳定发展 房产先锋

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 2015	909,831	400,165	17,254	23,887	396	17,788	1,369,321	232,387	1,601,708
Total comprehensive profit/(loss) for the period		34,291	9,762				44,053	(8,140)	35,913
Dividend distribution		(12,061)					(12,061)		(12,061)
Purchasing shares of subsidiary form MI					86,328		86,328	(213,681)	(127,353)
Balance as at 31 December 2015	909,831	422,395	27,016	23,887	86,724	17,788	1,487,641	10,566	1,498,207
Balance as at 1 January 2016	909,831	422,395	27,016	23,887	86,724	17,788	1,487,641	10,566	1,498,207
Total comprehensive (loss) profit for the period		(192,852)	(27,168)				(220,020)	(7,888)	(232,200)
Balance as at 31 December 2016	909,831	229,543	(152)	23,887	86,724	17,788	1,267,621	2,678	1,270,299



以人为本 稳定发展 房产先锋

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 (continue).

	Group - Proforma CFS									
	Issued Capital	Retained Earnings	Translation Reserve	Proforma Reserve	Statutory Reserve	Capital Reserve	Revaluation Reserve	Attributable to equity holders of the Company	Non-Controlling Interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2015	909,831	324,509	17,254	(148,414)	31,442	396	21,707	1,156,725	232,387	1,389,112
Total comprehensive profit/(loss) for the period		42,862	9,762					52,624	(8,140)	44,484
Dividend distribution		(12,061)						(12,061)		(12,061)
Purchasing shares of subsidiary form MI						86,328		86,328	(213,681)	(127,353)
Balance as at 31 December 2015	909,831	355,310	27,016	(148,414)	31,442	86,724	21,707	1,283,616	10,566	1,294,182
Balance as at 1 January 2016	909,831	355,310	27,016	(148,414)	31,442	86,724	21,707	1,283,616	10,566	1,294,182
Total comprehensive (loss) profit for the period		(190,862)	(27,169)					(218,032)	(7,888)	(225,920)
Balance as at 31 December 2016	909,831	164,448	(154)	(148,414)	31,442	86,724	21,707	1,065,584	2,678	1,068,262



以人为本 稳定发展 房产先锋

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 (continued).*

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
Balance as at 1 January 2015	909,831	(252,826)	(24,355)	632,650
Total comprehensive loss for the period	-	(21,960)	(13,245)	(35,205)
Dividend distribution		(12,061)		(12,061)
Balance as at 31 December 2015	909,831	(286,847)	(37,600)	585,384
Balance as at 1 January 2016	909,831	(286,847)	(37,600)	585,384
Total comprehensive loss for the period	-	(10,974)	26,854	15,880
Balance as at 31 December 2016	909,831	(297,821)	(10,746)	601,264

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.*

At the Extraordinary General Meeting held on 27 April 2016, the shareholders of the Company approved the consolidation of every fifteen (15) existing ordinary shares in the capital of the Company into one (1) ordinary share ("Share Consolidation"). The Share Consolidation was completed on 9 May 2016 when 1,125,000,000 existing ordinary shares were consolidated into 74,999,688 consolidated shares, disregarding any fractions of ordinary shares arising from the Share Consolidation. Earnings per share and net assets value for financial year ended 31 December 2015 are restated for the effect of the share consolidation.

The details of the number of shares as a result of the Share Consolidation are shown in 1(d)(iii) below.



以人为本 稳定发展 房产先锋

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

There are no treasury shares as at 31 December 2015 and 31 December 2016 respectively.

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

	31.12.2016		31.12.2015	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	1,125,000,000	143,750

Share Consolidation effective from 9 May 2016

Total number of ordinary shares before Share Consolidation	1,125,000,000
Share Consolidation exercise	(1,050,000,312)
Total number of ordinary shares after Share Consolidation	74,999,688

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.

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 (continued).

The Group has applied the same accounting policies and methods of computation in its unaudited financial statements for 4Q2016 and FY2016 as those of the audited financial statements for the year ended 31 December 2015, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2016. The adoption of all new and revised FRSs have no material effects on the 4Q2016 and FY2016 unaudited financial statements.



以人为本 稳定发展 房产先锋

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			
	4Q2016	4Q2015 (Restated)	FY2016	FY2015 (Restated)
Loss Per Share				
Basic (a)	(200.05)	235.08	(257.14)	45.72

RMB fens	Proforma CFS			
	4Q2016	4Q2015 (Restated)	FY2016	FY2015 (Restated)
Loss Per Share				
Basic (a)	(198.36)	245.70	(254.48)	57.15

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

7. *Net asset value (for the issuer 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	
	31.12.2016	31.12.2015 (restated)	31.12.2016	31.12.2015 (restated)	31.12.2016	31.12.2015 (restated)
Net asset value per ordinary share based on issued share capital at end of financial year*	16.94	19.98	14.24	17.26	8.02	7.81

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



以人为本 稳定发展 房产先锋

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 4Q2016 and FY2016

	31.12.2016		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
<u>Balance sheet items</u>			
Property held for sales	190,384	181,507	8,877
Development properties	978,446	722,495	255,951
Property, plant and equipment	20,959	18,082	2,877
Deferred tax liabilities	340,191	274,520	65,671
Shareholders' equity	1,270,299	1,068,262	202,037

	4Q2016		Difference	FY2016		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	(259,500)	(258,185)	(1,315)	(300,782)	(298,916)	(1,866)
Administrative expenses	(70,769)	(70,470)	(299)	(110,781)	(110,313)	(468)
Income tax expense	(34,975)	(35,319)	344	(35,813)	(36,337)	524
Loss for the period	(152,600)	(151,330)	(1,270)	(201,459)	(199,649)	(1,810)

* 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).



以人为本 稳定发展 房产先锋

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 unaudited Actual Consolidated Financial Statements

Income statement

Revenue

Our Group's revenue increased by RMB69.0 million, or 25%, from 280.4 million in FY2015 to RMB349.4 million in FY2016. The increase was mainly attributed to the increase in revenue from our property development sales by RMB66.2 million, from RMB246.9 million in FY2015 to RMB313.4 million in FY2016.

The increase in revenue from the property development sales was mainly due to a higher GFA sold and recognized but a lower average selling price ("ASP") per square metre ("sqm") achieved in FY2016 compared with the previous corresponding period. The GFA sold and recognized in FY2015 and FY2016 was 38,411 sqm and 53,778 sqm respectively, while the ASP per sqm decreased from approximately RMB6,605 per sqm in FY2015 to approximately RMB5,823 per sqm in FY2016. The decrease in ASP because the difference matrix of the revenue recognized within two year. About 80% sales recognized in FY2015 are the villas which had higher profit margins compared with about 85% sale recognized in FY2016 are residential building at lower profit margins. Besides, there is about RMB692.0 million of advance from customers for pre-sales of properties that did not meet sales recognition criteria on 31 December 2016.

In addition, there was no significant change in revenue contribution from rental income, construction contracts and property management service income.

For 4Q2016, the Group's revenue increased by RMB88.7 million, or 43%, from RMB204.9 million in 4Q2015 to RMB293.5 million in 4Q2016. This was mainly attributed to an increase of revenue from property development sales attributed to higher GFA recognized in 4Q 2016.



以人为本 稳定发展 房产先锋

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):*

Cost of Sales and Gross Profit

Our cost of sales is increased by RMB91.7 million, or 44%, from RMB209.1 million in FY2015 to RMB300.8 million in FY2016. This was mainly caused by an increase in sales.

Included in the FY2016 cost of property development of our Unaudited Actual Consolidated Financial Statements, was a fair value adjustment which increased the cost of property development sales by RMB1.87 million. The fair value adjustment to the cost of property development sales was mainly due to the application SFRS 103 for the acquisition of the PRC subsidiaries by our Group where, *inter alia*, the development properties and property held for sale held by the respective PRC subsidiary would need to be recorded at fair value at the respective dates of acquisition, which is higher than the historical costs. Accordingly, this resulted in a corresponding fair value adjustment to the cost of property development sales when the Group recorded sales for their sold properties during FY2016.

The quantum of the total fair value adjustments to our cost of property development sales over time would be limited to the aggregate of the excess of attributed fair values of these properties over the corresponding historical book values at the time of acquisition of approximately RMB488.7 million (excluding the offset against estimated deferred tax liability adjustment of approximately RMB122.2 million). As the cumulative fair value adjustments to our cost of property development sales amounted to RMB229.3 million as at end of FY2016, the aggregate of remaining fair value adjustments to our future cost of property development sales in the Actual Consolidated Financial Statements will only be up to RMB259.4 million (**excluding the offset against estimated deferred tax liability adjustment of approximately RMB64.8 million, which will result in net future fair value adjustments of approximately RMB194.6 million only**).

In terms of gross profit margin, our overall gross profit margin decreased from 25% in FY2015 to 14% in FY2016. Decrease in gross profit margin main comes from difference sale matrix between these two years. As a result only 15% of property development sales comes from villas in FY2016 compared with 80% comes from villa in FY2015 which acquire a higher gross profit margin. The remaining 85% of property development sales comes from residential apartments in FY2016 which acquire a lower gross profit margin.



以人为本 稳定发展 房产先锋

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):*

In addition, there were no significant variances in the cost contribution from property rental, construction contracts and property management service with the corresponding period of 4Q2016.

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 Consolidated Financial Statements gross profit margins attained are at 29% in FY2015 and 15% in FY2016 respectively, as well as 23% in 4Q2015 and 12% in FY2016. The variance was fairly in line with the Actual Consolidated Financial Statements gross profit margin variances, taking into consideration the said non-cash fair value adjustment on the cost of property development sales.

Other Income

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

Other income decreased by RMB30.8 million or approximately 80% from RMB38.2 million in FY2015 to RMB7.5 million in FY2016, which was mainly caused by a decrease one of interest income from disposal of 50% of shareholding in Foshan Degangjian.

Selling and Distribution Expenses

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

Selling and distribution expenses increased by RMB0.2 million or 1% in FY2016 and RMB5.9 million or 85% in 4Q2016 as compared with the respective periods of last year. The increase of selling and distribution expenses in FY2016 were mainly due to the expenses incurred for the marketing efforts for the Phase 3 of Shanshui Longpan (a property development project located at No. 87 North Area, Foshan Household Appliances Industry Base of the National Torch Program, Baini Town, Sanshui District, Foshan City) and commercial units of Sihui City Mall (a property development project located at Sihui Avenue, Dongcheng, Sihui City).

Administrative 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.



以人为本 稳定发展 房产先锋

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):*

Administrative Expenses

Administrative expenses decreased by RMB0.1 million or 0% in FY2016 and increase RMB12.7 million or 22% in 4Q2016 as compared with the respective periods of last year. The increase with 4Q2016 was mainly attributable to an increase of foreign exchange loss due to the depreciation of the US dollar against RMB.

Finance Costs

Finance costs, net of capitalised interest, recorded an increase of RMB53.6 million in FY2016 and RMB122.5 million in 4Q2016 over the respective periods in FY2015. The substantial increase in finance costs was mainly due to an increase in average loan balance. Since the new loan raise were working capital loans with higher effective interest rate, the respective interest incurred were expensed-off to the income statement directly.

Amortisation

Amortisation relates to the amortisation of prepaid land use rights for our corporate office since 4Q2009. The amortisation is based on 40 year rights of use of the land.

Depreciation

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

Depreciation was almost equivalent as to last period.

Income Tax (Expenses) Credit

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

The Proforma Consolidated Financial Statements has a higher income tax expense compared to the Actual Consolidated Financial Statements, and was mainly due to the estimated deferred tax liability adjustment on the pertained fair value notional adjustment to the cost of property development (please refer to Paragraph 8 – Cost of Sales).

Net Loss

With the above, the Group recorded a net loss of RMB152.6 million in 4Q2016 and a net loss of RMB201.4 million for FY2016. The Proforma Consolidated Financial Statements, which excludes the notional adjustment, effects a better comparability of the Group's performance, has presented a net loss of RMB199.6 million in FY2016 and RMB151.3 million in 4Q2016 respectively.



以人为本 稳定发展 房产先锋

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

Current Assets

Current assets comprise mainly development properties, properties held for sale, cash and bank balances, trade and other receivables and restricted cash and cash equivalents. Our current assets as at the end of FY2015 and FY2016 amounted to approximately RMB3,467.5 million and RMB4,741.7 million respectively.

The largest component of our current assets was asset held for sales, which amounted to approximately RMB35 million and RMB2,652.4 million as at the end of FY2015 and FY2016 respectively. The asset held for sale present disposal subsidiary Infinity (together with it wholly owned subsidiary, Foshan SanShui NengRun Property Development Co., Ltd) and Foshan SanShui FanGao Land Co., Ltd. Please refer "The transaction" section of our circular to shareholder at 11th January, 2017.

Development properties, which amounted to approximately RMB2,005.6 million and RMB978.4 million as at the end of FY2015 and FY2016 respectively. Development properties, which include the cost of land, interest capitalized, and related costs, accounted for approximately 58% and 21% of our current assets as at the end of FY2015 and FY2016 respectively. The RMB1,027.1 million or 51% decrease in development properties was mainly due to reclassify SanShui Longpan project to asset held for sale.

Properties held for sales amounted to RMB459.6 million and RMB190.4 million as at the end of FY2015 and FY2016 respectively, which include properties of Jiangnan Mingju Phases 5 and 6, and part of Sihui City Mall.

The Group's cash and bank balances as at 31 December 2016 decreased by RMB89.0 million or 50% to RMB88.4 million as compared with 31 December 2015, which was primarily attributable to the net cash used in operating activities of RMB569.8 million and net cash used in investing activities of RMB57.6 million, partially offset by net cash from financing activities of RMB539.4 million in FY2016 respectively.

In addition, restricted cash stood at RMB364.7 million and RMB401.8 million as at end of FY2016 and FY2015 respectively. The decrease was due to the payment of RMB42.6 million security deposit for the development of properties, and partially offset by addition of RMB5.5 million pledged cash along with the withdrawal of new bank loans.

Trade and other receivables stood at approximately RMB380.0 million and RMB445.1 million at the end of FY2015 and FY2016 respectively.

Amount due from customers for contract works stood at RMB0.6 million and RMB0.9 million as at end of FY2015 and FY2016 respectively. These amounts pertain to construction contracts that have yet to be billed to our construction contract customers.



以人为本 稳定发展 房产先锋

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):*

Non-current assets

Non-current assets comprised mainly investment properties, joint venture, property, plant and equipment. As at the end of FY2015 and FY2016, our non-current assets had an aggregate net book value of approximately RMB2,658.7 million and RMB2,065.1 million respectively.

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 carparks, commercial premises located in Debao Garden, New Liwan Garden and Jiangnan Mingju, carparks located in Debao Garden and New Liwan Garden, and plant, equipment and land use rights in Danzao, office building and carparks located at Liaoyuan Road, Tianjin Boulevard buildings and Sihui City Mall. The net book value of our investment properties was approximately RMB2,005.8 million, accounting for 97% of non-current assets as at FY2016. The decrease of RMB436.1 million in the investment properties was caused by reclassify Shanshui Longpan Hotel buildings and clubhouse at Shanshui Longpan Phase 3 to asset held for sales.

The prepaid land use right, and property, plant and equipment decreased by RMB2.1 million was mainly due to amortisation/depreciation charge of RMB2.8 million for FY2016, which was partially offset by purchase of office equipment and vehicle.

Joint Venture refers to the Group's proportionate contribution to purchase of land for the joint venture.

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 RMB1,239.1 million and RMB983.8 million at the end of FY2015 and FY2016 respectively. The decrease of RMB255.3 million in trade and other payables was mainly cause by reclassify trade and other payable belong to Infinity and Sanshui Nengrun to liability held for held

Bank and Other Loans

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



以人为本 稳定发展 房产先锋

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):*

Shareholders' equity

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to 32% shareholding held by the minority interest in a PRC subsidiary, Guangxi Hezhou Deneng Mining Co., Ltd, and 42.2% shareholding held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co, Ltd, and 38% shareholding held by the minority interest in a Malaysian subsidiary, Profit Consortium Sdn Bhd .

At the end of FY2015 and FY2016, shareholders' equity amounted to RMB1,498.2 million and RMB1,270.3 million respectively. The decrease in equity was mainly due to the loss incurred in the current period.

Cash flow statement

Our Group has a net cash outflow from operating activities of RMB87.9 million during FY2016, which comprised operating cash outflows before movements in working capital of RMB30.6 million, adjusted for net working capital from operations of RMB287.3 million and net of finance cost and interest received as well as income tax paid of RMB234.0 million and RMB17.9 million respectively. The net working capital outflows were mainly due to the increase in development properties.

The net cash outflows from investing activities of RMB57.6 million mainly pertained to the addition of investment properties, office equipment and vehicle and prepayment to joint venture in Malaysia in FY2016. and partially offset by proceeds on disposal of investment properties in FY2016.

The Group recorded a net cash inflow from financing activities of RMB539.4 million during FY2016. This was mainly due to the net proceeds from bank and other loans.

With the above, the Group has a net decrease in cash and cash equivalents of RMB87.9 million for FY2016.

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 2015 to the period ended 30 September 2016.



以人为本 稳定发展 房产先锋

10(a). *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

Both the Chinese central government and the local government have taken some positive measures to stimulate interest in property in 2016 and aimed at ensuring the healthy development of property market. Thus we have observed that transacted property average selling prices per sqm in Foshan has increased 15.25% during the current reporting period, from RMB8,769 per sqm(See Note 1 below) in 4Q2015 to RMB10,107 per sqm(See Note 1 below) in 4Q2016. Meanwhile, transaction volumes have increased from 3.8488 million sqm(1) in 4Q2015 to 4.9108 million sqm(See Note 1 below) in 4Q2016, an increase of approximately 27.59%.

Project Updates

As at 31 December 2016, the Group has five development projects with a gross floor area (“GFA”) of approximately 1.91 million sqm under development and approximately 0.5 million sqm of land held for future development, including four projects located at Kuala Lumpur in Malaysia, Project Kuchai Lama, Project Cheras Mahkota, Imbi Land and Project Plaza Rakyat. These are expected to be separately completed in various phases up to 2022, providing us with secure and visible business growth opportunities in the foreseeable future. In relation to commercial projects, apart from Sihui City Mall-a residential and shopping mall development project, the Group has 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)-Tianjin Boulevard. At the same time, the Group will continue to source 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.

Shanshui Longpan, Phase 1 and Phase 1(ii) villas

The Shanshui Longpan, Phase 1 and Phase 1(ii) villas have a saleable GFA of approximately 69,900 sqm (revised) and 36,300 sqm (revised) respectively, of which approximately 69,900 sqm and 36,300 sqm have launched for pre-sales and approximately 54,046 sqm and 19,392 sqm have secured expression of interest to purchase as at 31 December 2016.

Shanshui Longpan, Phase 2(i) Villas

Phase 2(i) Villas of Shanshui Longpan, have a GFA of approximately 42,400 sqm, of which approximately 34,206 sqm have been launched for pre-sales and approximately 31,035 sqm have secured expression of interest to purchase as at 31 December 2016.

Shanshui Longpan, Phase 3 high rise Flats No.1-10

Phase 3 high rise of Shanshui Longpan, the construction works which was started since March 2013, has a GFA of approximately 710,000 (revised) sqm, of which approximately 80,000 sqm have been launched for pre-sales and approximately 72,296 sqm have secured expression of interest to purchase as at 31 December 2016.



以人为本 稳定发展 房产先锋

10(b). *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).*

Sihui City Mall

Sihui City Mall has a GFA of approximately 155,100 (revised) sqm, of which approximately 133,863 sqm have been launched for pre-sales and approximately 53,624 sqm have secured expressions of interests to purchase as at 31 December 2016.

Jin Long Garden – South Zone (Phase 2)

The total saleable GFA of Jin Long Garden – South Zone (Phase 2) is approximately 83,700 sqm (revised), of which approximately 83,700 sqm have been launched for pre-sales and approximately 80,690 sqm have secured expressions of interests to purchase as at 31 December 2016.

The accumulated sales/pre-sales^(See Note 2 below) status of our projects as at 31 December 2016 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
Shanshui Longpan Phase 1 Villas	763,042	54,046	14,118	99%-100%
Shanshui Longpan Phase 1(ii) Villas	337,867	19,392	17,423	100%
Jin Long Garden – South Zone	812,454	80,690	10,069	100%
Jiangnan Minju Phases 5 and 6	989,408	145,299	6,809	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	354,192	72,296	4,899	100%
Sihui City Mall	342,676	53,624	6,390	99-100%
Shanshui Longpan Phase 2(i) Villas	228,266	31,035	7,355	80%
Total	3,827,905	456,381	8,388	NA



以人为本 稳定发展 房产先锋

10(b). *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 sales/pre-sales(See Note 2 below) of our projects for FY2016 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
Shanshui Longpan Phase 1 Villas	21,225	1,448	14,660	99%-100%
Shanshui Longpan Phase 1(ii) Villas	86,910	4,316	20,135	100%
Jin Long Garden – South Zone	14,426	2,218	6,504	100%
Jiangnan Minju Phases 5 and 6	4,066	493	8,254	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	87,129	18,077	4,820	100%
Sihui City Mall	130,795	25,033	5,225	99-100%
Shanshui Longpan Phase 2(i) Villas	172,480	23,202	7,434	80%
Total	517,031	74,786	6,913	NA

The sales/pre-sales(See Note 2 below) of our projects for 4Q2016 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
Shanshui Longpan Phase 1 Villas	8,185	518	15,802	99%-100%
Shanshui Longpan Phase 1(ii) Villas	51,722	2,315	22,342	100%
Jin Long Garden – South Zone	6,671	1,341	5,329	100%
Jiangnan Minju Phases 5 and 6	1,924	254	7,575	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	17,190	3,317	5,182	100%
Sihui City Mall	24,721	3,395	7,282	99-100%
Shanshui Longpan Phase 2(i) Villas	36,234	4,604	7,870	80%
Total	146,647	15,744	9,314	NA

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Minju Phases 5 and 6, and Shanshui Longpan Phase 1 and 1(ii) villas and parts of Phase 3 High Rises in 2016 have been recognised as revenue in the current reporting periods. The accumulated sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-ventured project) have also been recognised in 2016 when handed over.

The Group remains cautious about the outlook of the property market. The Group will strategically focus its financial resources on the Phase II development of the SiHui City Mall Project and actively source for more investors for its development projects in Malaysia.



以人为本 稳定发展 房产先锋

Notes

(1) Source from Bureau of Housing and Urban-Rural Development of Foshan (<http://www.fsjw.gov.cn/zwygk/zdxcxgk/fdcsc/sjtf/>)

(2) Sales/pre-sales with certainty on receipt of purchase consideration, including those not ready for handover or key collections

11. Dividend

(a) Current Financial Period Reported on

The Group may consider an interim dividend payment in FY2017, subject to the level of its cash flow requirements, including capital expenditure, terms of future borrowing arrangements and investments to ensure the growth of the Company.

(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.

There is no dividend has been declared/recommended.

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) FY2016	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) FY2016
Zhong Yu Xin ⁽¹⁾	S\$ 535,556 ⁽²⁾	-

Notes:

(1) Mr Zhong Yu Xin is the brother of our Executive Director, Mr Zhong Yu Zhao.

(2) Lease of Debao Hotel.



以人为本 稳定发展 房产先锋

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Group	Property development	Construction contract	Property investment	Property management	Total
Revenue					
<u>2016</u>	317,721	111,190	13,077	16,261	458,249
<u>2015</u>	239,417	211,186	23,766	19,184	493,553
Segment result					
<u>2016</u>	(97,452)	13,950	98,003	(6,252)	8,248
<u>2015</u>	(56,079)	(15,938)	276,952	(3,538)	201,397

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

Please refer to Paragraph 8.

16. *A breakdown of sales*

	Actual			Proforma		
	2016	2015	Increase/ (Decrease)	2016	2015	Increase/ (Decrease)
	RMB'000	RMB'000		RMB'000	RMB'000	
(a) Sales reported for first half year	28,646	39,458	(27%)	28,646	39,458	(27%)
(b) Operating loss after tax reported for first half year	13,190	(80,110)	(116%)	13,575	(79,812)	(117%)
(c) Sales reported for second half year	320,730	240,901	33%	320,730	240,901	33%
(d) Operating profit after tax reported for second half year	(214,649)	106,261	(302%)	(213,224)	114,534	(286%)



以人为本 稳定发展 房产先锋

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

Total Annual Net Dividend

	2016	2015
Ordinary Shares	Nil	Nil

18. *Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.*

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Yuan Jian Sheng	53	Brother of our Executive Chairman and CEO, Mr Yuan Le Sheng	Vice general manager of our subsidiary, Foshan Nanhai Guihe Construction Engineering Co., Ltd, 2014	Administrative supervisor
Zheng Xiong Xian	47	Brother of our Non-Executive Director, Ms Zheng Lihua	Vice-general manager of our subsidiary, Sihui Debao jiangnanmingju Property Development Co., Ltd 2014	Vice-general manager of our subsidiary, Foshan Sanshui Nengrun Property Development Co., Ltd
Zheng Xiong Wei	61	Brother of our Non-Executive Director, Ms Zheng Lihua	Property administrator 2014	Warehouse administrator,
Fang Zai Ming	54	Wife of our Executive Director, Mr Zhang Mao	Sales general manager, 2012	Nil

BY ORDER OF THE BOARD

Yuan Le Sheng

Executive Chairman and CEO
28 February 2017



DEBAO PROPERTY
DEVELOPMENT LTD.
德宝房地产开发有限公司



以人为本 稳定发展 房产先锋

Confirmation by the Board

We, Yuan Le Sheng and Zhang Mao, 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 year ended 31 December 2016 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

Yuan Le Sheng
Executive Chairman and CEO

Zhang Mao
Executive Director

28 February 2017