



以人为本 稳定发展 房产先锋

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017 ("2Q2017 and 1H2017")

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)					
	2Q2017	2Q2016	%	1H2017	1H2016	%
	RMB'000	RMB'000	Change + / (-)	RMB'000	RMB'000	Change + / (-)
Revenue	12,547	11,864	6%	36,782	28,646	28%
Cost of sales	(10,251)	(8,277)	24%	(30,302)	(17,866)	70%
Gross profit	2,296	3,587	(36%)	6,480	10,780	(40%)
Other income	(9,506)	10,693	(189%)	141,438	66,902	111%
Selling and distribution expenses	(2,823)	(3,721)	(24%)	(5,987)	(4,888)	22%
Administrative expenses	(12,374)	(13,842)	(11%)	(17,713)	(26,461)	(33%)
Finance costs	(5,964)	(17,628)	(66%)	(46,141)	(34,269)	35%
(Loss) profit before income tax	(28,371)	(20,911)	36%	78,077	12,064	547%
Income tax (expenses) credit	(160)	1,500	(111%)	(355)	1,126	(132%)
Net (loss) profit for the period	(28,531)	(19,411)	47%	77,722	13,190	489%
Other comprehensive (loss) income						
Currency translation difference	14,918	(17,622)	(185%)	3,982	(41,281)	(110%)
Total Comprehensive (loss) profit for the period	(13,613)	(37,033)	(63%)	81,704	(28,091)	(391%)
(Loss) profit attributable to:						
Equity holders of the Company	(26,042)	(17,387)	50%	82,255	17,107	381%
Non-controlling interest	(2,489)	(2,024)	23%	(4,533)	(3,917)	16%
	(28,531)	(19,411)	47%	77,722	13,190	489%
Total comprehensive (loss) profit attributable to:						
Equity holders of the Company	(11,124)	(35,009)	(68%)	86,237	(24,174)	(457%)
Non-controlling interest	(2,489)	(2,024)	23%	(4,533)	(3,917)	16%
	(13,613)	(37,033)	(63%)	81,704	(28,091)	(391%)



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)					
	2Q2017	2Q2016	% Change	1H2017	1H2016	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	12,547	11,864	6%	36,782	28,646	28%
Cost of sales	(10,251)	(7,937)	29%	(28,966)	(17,465)	66%
Gross profit	2,296	3,927	(42%)	7,816	11,181	(30%)
Other income	(9,506)	10,693	(189%)	141,104	66,902	111%
Selling and distribution expenses	(2,823)	(3,721)	(24%)	(5,987)	(4,888)	22%
Administrative expenses	(12,374)	(13,785)	(10%)	(17,713)	(26,348)	(33%)
Finance costs	(5,964)	(17,628)	(66%)	(46,141)	(34,269)	35%
(Loss) profit before income tax	(28,371)	(20,514)	38%	79,079	12,578	529%
Income tax credit (expenses)	(160)	1,400	(111%)	(355)	997	(136%)
Net (loss) profit for the period	(28,531)	(19,114)	49%	78,724	13,575	480%
Other comprehensive (loss) income						
Currency translation difference	14,918	(17,622)	(185%)	3,984	(41,281)	(110%)
Total Comprehensive (loss) profit for the period	(13,613)	(36,736)	(63%)	82,708	(27,706)	(399%)
(Loss) profit attributable to:						
Equity holders of the Company	(26,042)	(17,090)	52%	83,257	17,492	376%
Non-controlling interest	(2,489)	(2,024)	23%	(4,533)	(3,917)	16%
	(28,531)	(19,114)	49%	78,724	13,575	480%
Total comprehensive (loss) profit attributable to:						
Equity holders of the Company	(11,124)	(34,712)	(68%)	87,241	(23,789)	(467%)
Non-controlling interest	(2,489)	(2,024)	23%	(4,533)	(3,917)	16%
	(13,613)	(36,736)	(63%)	82,708	(27,706)	(399%)



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 second quarter and half year ended 30 June 2016 (“**2Q2016 and 1H2016**”) and for the second quarter and half year ended 30 June 2017 (“**2Q2017 and 1H2017**”), 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 2Q2016, 1H2016, 2Q2017 and 1H2017 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 2Q2016, 1H2016, 2Q2017 and 1H2017 (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					
	2Q2017	2Q2016	% Change	1H2017	1H2016	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	856	794	8%	1,712	1,659	3%
Amortization	56	55	2%	112	111	1%
Interest expense	21,442	17,628	22%	46,141	34,269	35%
Interest income	(1)	(1,288)	(100%)	(451)	(2,476)	(82%)
Exchange (gain)loss	6,954	(9,326)	(175%)	(3,982)	(64,309)	(94%)

	Proforma Consolidated Statement of Comprehensive Income					
	2Q2017	2Q2016	% Change	1H2017	1H2016	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	865	737	16%	1,712	1,546	11%
Amortization	56	55	2%	112	111	1%
Interest expense	21,442	17,628	22%	46,141	34,269	35%
Interest income	(1)	(1,288)	(100%)	(451)	(2,476)	(82%)
Exchange (gain)loss	6,950	(9,326)	(175%)	(3,984)	(64,309)	(94%)



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	
	30.6.2017 RMB'000	31.12.2016 RMB'000	30.6.2017 RMB'000	31.12.2016 RMB'000	30.6.2017 RMB'000	31.12.2016 RMB'000
Assets						
Current assets						
Cash and bank equivalents	23,838	88,448	23,838	88,448	123	38
Restricted cash and cash equivalents	350,102	364,779	350,102	364,779		
Trade and other receivables	1,160,790	445,131	1,160,549	445,131	1,243,351	6,992
Amount due from related parties	-	20,731	-	20,731		
Due from subsidiaries					2,663	897,472
Amount due from customers for contract work		949		949		
Inventories	1,884	262	1,884	262		
Property held for sales	80,354	190,384	55,154	181,507		
Development properties	1,286,662	978,446	1,048,570	722,495		
Prepaid land use right	-	223	-	223		
Asset held for sales	-	2,652,394	-	2,652,394		787
Dividends receivable	-	-	-	-	23,076	22,568
Total current assets	2,903,630	4,741,747	2,640,097	4,476,919	1,269,213	927,854
Non-current Assets						
Prepaid land use right	2,386	4,364	2,386	4,364		
Property, plant and equipment	21,593	20,959	18,716	18,082		
Investment properties	2,129,964	2,005,846	2,129,964	205,846		
Joint venture	-	-	-	-		
Trade and other receivables	-	10,000	-	10,000		
Investment in subsidiaries					1,018	1,028
Other investment	-	2,849	-	2,849		
Deferred tax assets	16,922	16,922	16,922	16,922		
Goodwill	4,192	4,192	4,192	4,192		
Total non-current assets	2,175,057	2,065,132	2,172,180	2,062,255	1,018	1,028
Total assets	5,078,687	6,806,879	4,812,277	6,539,174	1,270,231	928,882
Liabilities and shareholders' equity						
Current liabilities						
Bank and other loans	891,321	1,379,513	891,321	1,379,513		
Trade and other payables	1,214,984	983,840	1,214,984	983,843		774
Long term payable-current portion	9,740	23,420	9,740	23,420		
Amount due to related parties	-	17,805	-	17,805		
Due to subsidiaries					203,887	326,780
Liability held for sales		1,503,082		1,503,082		
Tax payables	96,383	83,181	96,383	83,181	16,000	
Total current liabilities	2,212,428	3,990,841	2,212,428	3,990,844	219,887	327,554
Non-current liabilities						
Bank and other loans	1,015,215	1,050,564	1,015,215	1,050,564		
Trade and other payable	-	259	-	259		
Long term payable	172,478	154,725	172,478	154,725		
Deferred tax liabilities	344,349	340,191	279,012	274,520		
Total non-current liabilities	1,532,042	1,545,739	1,466,705	1,480,068	-	-
Shareholders' equity	1,334,217	1,270,299	1,133,144	1,068,262	1,050,344	601,328
Total liabilities and Shareholders' equity	5,078,687	6,806,879	4,812,277	6,539,174	1,270,231	928,882



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) (Please refer to the Company's announcement dated on 2 April 2015 for details).

The restatement does not have any effect on the Group's net assets and profit after tax.

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

	Group (Actual CFS)	
	30.6.2017	31.12.2016
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:-		
Secured (a)	801,055	1,377,513
Unsecured (b)	-	2,000
Sub-total (1)	801,055	1,379,513
Amount repayable after one year		
Secured (a)	1,105,481	1,050,564
Sub-total (2)	1,105,481	1,050,564
Total debt (1)+(2)	1,906,536	2,430,077



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)*

Bank loans

Loans from a lender amounting to RMB196,400,000 (2016: RMB249,150,000) with an effective interest rate from 4.35% to 6.79% (2016: 4.85% to 6.80%) per annum, is secured by directors of the Group and subsidiaries, restricted cash and cash equivalents and investment properties (2016: secured by directors of the Group and subsidiaries, restricted cash and cash equivalents and investment properties) and repayable in 2017 and 2018 (2016: repayable in 2017).

Loans from a lender amounting to RMB352,000,000 (2016: RMB197,300,000) with an effective interest rate from 5.66% to 6.09% (2016: 4.85% to 7%) per annum, is secured by a director of the Group and subsidiaries, land use rights of the Group, property, plant and equipment and investment properties and repayable in 2017 (2016: repayable in 2016 and 2017).

Loans from a lender amounting to RMB30,500,000 (2016: RMB32,600,000) with an effective interest rate of 5.22% (2016: 5.22%) per annum, is secured by restricted cash and cash equivalents and land use rights of the Group (2016: secured by restricted cash and cash equivalents and land use rights of the Group) and repayable in 2017 (2016: repayable in year-end 2016 and 2017).

Loans from a lender amounting to RMB48,000,000 (2016: RMB12,000,000) with an effective interest rate of 4.35% (2016: 4.91%) per annum, is secured by restricted cash and cash equivalents (2016: secured by restricted cash and cash equivalents) and repayable in 2017 (2016: repayable in 2016).

Loans from a lender amounting to RMB174,155,000 (2016: RMB175,536,000) with an effective interest rate from 1.65% to 1.9% (2016: 3.16% to 3.25%) per annum, is secured by restricted cash and cash equivalents and repayable in 2017 (2016: repayable in 2016).

Other loans (secured)

Loans were raised together with a contractor for a total of RMB199,500,000 (2016: RMB113,627,000) with interest rates ranging from 7% to prime rate, repayable within one (1) to ten (10) years, secured by certain land use rights. RMB98,169,000 (2016: RMB90,975,000) has been advanced to the Group and is repayable on demand.

Loans from a lender amounting to RMB836,447,000 (2016: RMB192,636,000) with effective interest rates from 9.92% to 12.7% (2016: approximately 14%) per annum and is secured by a director of the Group and subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties. The current portion of this loan amounted to RMB384,000,000 (2016: RMB47,757,000) is repayable in twelve months, while the non-current portion of this loan amounted to RMB452,447,000 (2016: RMB144,879,000).

A loan from a lender amounting to RMB51,255,000 (2016: RMB332,265,000) with an effective interest rate of 15% (2016: 15%) per annum, is secured by a director of the Group and his shares in the Company and subsidiaries and repayable in 2017 (2016: repayable in 2017).

A loan from a lender amounting to RMB18,279,000 (2016: RMB18,279,000) with an effective interest rate of 18% per annum, is secured by land use rights (2016: unsecured) and repayable in 2017 (2016: repayable in the second half year of 2016).



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			
	2Q2017	2Q2016	1H2017	1H2016
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss) profit before tax	(28,371)	(20,911)	78,077	12,064
Adjustments for:				
Depreciation and amortisation	912	849	1,824	1,770
Interest expense	21,442	17,628	46,141	34,269
Interest income	(1)	(1,288)	(451)	(2,476)
Unrealized exchange gain	14,918	(9,326)	3,982	(64,309)
Operating gain (loss) before working capital changes	8,900	(13,048)	129,573	(18,682)
Trade and other receivables	1,559	(40,764)	(109,715)	25,524
Development properties	(202,645)	(372,669)	(113,328)	(502,721)
Property held for sales	1,273	3,262	2,926	1,295
Amount due from customers for contract work	-	-	949	-
Inventories	(270)	1	(1,622)	(1)
Trade and other payables	(67,064)	232,540	184,386	267,911
Amounts due to related parties	-	(765)	-	1,434
Net cash (used in) generated from operations	(258,247)	(191,443)	93,169	(225,240)
Interest paid	(21,442)	(46,136)	(46,141)	(92,333)
Interest received	1	1,288	451	2,476
Income taxes paid	(1)	(5,357)	(3,187)	(6,998)
Net cash (used in) generated from operating activities	(279,689)	(241,648)	44,292	(322,095)
Cash flows from investing activities				
Purchases of properties, plant and equipment	(1,229)	(232)	(2,458)	(946)
Addition in investment property	-	(118)	-	(361)
Advance to joint venture	-	(2,933)	-	(7,800)
Proceeds from disposal of subsidiary	294,841	-	344,841	-
Disposal of other investment	1,558	-	2,849	-
Net cash generated (used in) from investing activities	295,170	(3,283)	345,232	(9,107)
Cash flows from financing activities				
Amounts due from related parties	-	(476)	-	(920)
Fixed deposit & restricted cash	44,548	(30,201)	14,677	(42,949)
Proceeds from bank and other loans	-	504,971	-	582,971
Repayment of bank and other loans	(76,492)	(121,140)	(468,811)	(190,523)
Net cash (used in) generate from financing activities	(31,944)	353,154	(454,134)	348,579
Net (decrease) increase in cash and cash equivalents	(16,463)	108,223	(64,610)	17,377
Cash and cash equivalents at the beginning of the periods	40,301	88,668	88,448	177,424
Effects of exchange rate changes on the balance of cash held in foreign currency	-	6,339	-	8,429
Cash and cash equivalents at the end of the periods	23,838	203,230	23,838	203,230



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).

	Proforma CFS			
	2Q2017	2Q2016	1H2017	1H2016
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss) profit before tax	(28,371)	(20,514)	79,079	12,578
Adjustments for:				
Depreciation and amortisation	912	792	1,824	1,657
Interest expense	21,442	17,628	46,141	34,269
Interest income	(1)	(1,288)	(451)	(2,476)
Unrealized exchange gain	14,918	(9,326)	3,984	(64,309)
Operating gain (loss) before working capital changes	8,900	(12,708)	130,577	(18,281)
Trade and other receivables	1,557	(40,764)	(24,617)	25,524
Development properties	(202,645)	(372,755)	(199,722)	(502,868)
Property held for sales	1,273	-	2,926	-
Amount due from customers for contract work	-	-	949	-
Inventories	(270)	1	(1,622)	(1)
Trade and other payables	(67,062)	232,540	262,829	267,911
Amounts due to related parties	-	(765)	-	1,434
Net cash (used in) generated from operations	(258,247)	(191,443)	171,320	(225,240)
Interest paid	(21,442)	(46,136)	(46,141)	(92,333)
Interest received	1	1,288	451	2,476
Income taxes paid	(1)	(5,357)	(3,187)	(6,998)
Net cash (used in) generated from operating activities	(279,689)	(241,648)	122,443	(322,095)
Cash flows from investing activities				
Purchases of properties, plant and equipment	(1,229)	(232)	(2,458)	(946)
Addition in investment property	-	(118)	-	(361)
Advance to joint venture	-	(2,933)	-	(7,800)
Proceeds from disposal of subsidiary	294,841	-	344,840	-
Disposal of other investment	1,558	-	2,849	-
Net cash (used in) generated from investing activities	295,170	(3,283)	345,231	(9,107)
Cash flows from financing activities				
Amounts due from related parties	-	(476)	-	(920)
Fixed deposit & restricted cash	44,548	(30,201)	14,677	(42,949)
Proceeds from bank and other loans	-	504,971	-	582,971
Repayment of bank and other loans	(76,492)	(121,140)	(546,961)	(190,523)
Net cash (used in) generated from financing activities	(31,944)	353,154	(532,284)	348,579
Net (decrease) increase in cash and cash equivalents	(16,463)	108,223	(64,610)	17,377
Cash and cash equivalents at the beginning of the periods	40,301	88,668	88,448	177,424
Effects of exchange rate changes on the balance of cash held in foreign currency	0	6,339		8,429
Cash and cash equivalents at the end of the periods	23,838	203,230	23,838	203,230

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 do 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 2016	909,831	422,395	27,016	23,887	86,724	17,788	1,487,641	10,566	1,498,207
Total comprehensive gain (loss) for the period		17,107	(41,281)				(24,174)	(4,627)	(28,801)
Balance as at 30 Jun 2016	909,831	439,502	(14,265)	23,887	86,724	17,788	1,463,467	5,939	1,469,406
Balance as at 1 January 2017	909,831	229,543	(152)	23,887	86,724	17,788	1,267,621	2,678	1,270,299
Total comprehensive gain (loss) for the period		82,257	3,982				86,239	(4,533)	81,706
Disposal of subsidiaries						(17,788)	(17,788)		(17,788)
Balance as at 30 Jun 2017	909,831	311,800	3,830	23,887	86,724	0	1,336,072	(1,855)	1,334,217

	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 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 gain (loss) for the period		17,492	(41,281)					(23,789)	(4,627)	(28,416)
Balance as at 30 Jun 2016	909,831	372,802	(14,265)	(148,414)	31,442	86,724	21,707	1,259,827	5,939	1,265,766
Balance as at 1 January 2017	909,831	164,410	(154)	(148,414)	31,442	86,724	21,707	1,065,546	2,678	1,068,224
Total comprehensive gain (loss) for the period		83,257	3,984					87,241	(4,533)	82,708
Disposal of subsidiaries							(17,788)	(17,788)		(17,788)
Balance as at 30 Jun 2017	909,831	247,667	3,830	(148,414)	31,442	86,724	3,919	1,134,999	(1,855)	1,133,144



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 2016	909,831	(286,847)	(37,600)	585,384
Total comprehensive gain (loss) for the period		(2,376)	42,155	39,779
Balance as at 30 Jun 2016	909,831	(289,223)	4,555	625,163
Balance as at 1 January 2017	909,831	(298,051)	(10,452)	601,328
Total comprehensive gain (loss) for the period		433,865	15,151	449,016
Balance as at 30 Jun 2017	909,831	135,814	4,699	1,050,344

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 as at the end of the immediately preceding year.

There are no treasury shares as at 31 December 2016 and 30 Jun 2017 respectively.

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

	30.6.2017		31.12.2016	
	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.



以人为本 稳定发展 房产先锋

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 2Q2017 and 1H2017 as those of the audited financial statements for the year ended 31 December 2016, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2017. The adoption of all new and revised FRSs has no material effect on the 2Q2017 and 1H2017 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			
	2Q2017	2Q2016	1H2017	1H2016
Profit (Loss) Per Share				
Basic (a)	(34.72)	(23.18)	109.67	22.81

RMB fens	Proforma CFS			
	2Q2017	2Q2016	1H2017	1H2016
Profit (Loss) Per Share				
Basic (a)	(34.72)	(22.79)	111.01	23.32

(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.*

	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016	30.6.2017	31.12.2016
Net asset value per ordinary share based on issued share capital at end of financial year*	17.79	16.94	15.11	14.24	14.00	8.02

* 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 2Q2017 and 1H2017

	30.6.2017		Difference
	Actual*	Proforma*	***
	RMB'000	RMB'000	RMB'000
<u>Balance sheet items</u>			
Property held for sales	80,354	55,154	25,200
Development properties	1,286,662	1,048,570	238,092
Property, plant and equipment	21,593	18,716	2,877
Deferred tax liabilities	344,349	279,012	65,337
Shareholders' equity	1,334,217	1,133,144	201,073

	2Q2017		Difference	1H2017		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	(10,251)	(10,251)	-	(30,302)	(28,966)	(1,336)
Administrative expenses	(12,374)	(12,374)	-	(17,713)	(17,713)	-
Income tax expense	(160)	(160)	-	(355)	(355)	-
Loss for the period	(28,531)	(28,531)	-	77,722	78,724	(1,002)

* 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 RMB8.1 million, or 28%, from RMB28.6 million in 1H2016 to RMB36.8 million in 1H2017. The increase was mainly attributed to the increase in revenue from our property development sales by RMB7.8 million from RMB22.1 million in 1H2016 to RMB29.9 million in 1H2017. The increase in revenue from the property development sales was mainly due to a higher GFA sold and recognized and a higher average selling price ("ASP") per square metre ("sqm") achieved in 1H2017 compared with the previous corresponding period.

The increase in revenue was partially offset by a decrease in property management service income and property rental income of RMB1.0 million. The decrease in property management service income and property rental income was mainly attributable to the disposal of the Sanshui Project and the property management service in relation thereto.

There was no significant change in revenue contribution from construction contracts.

Cost of Sales and Gross Profit

Our cost of sales increased by RMB12.4 million, or 70%, from RMB17.9 million in 1H2016 to RMB36.8 million in 1H2017. This was mainly due to an increase in cost of property development sales.

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 RMB230.0 million as at end of 2Q2017, 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 RMB258.7 million (excluding the offset against estimated deferred tax liability adjustment of approximately RMB55.6 million, which will result in net future fair value adjustments of approximately RMB203.1 million only).

Our overall gross profit margin decreased from 37.6% in 1H2016 to 17.6% in 1H2017 as a result of a decrease in proportion of property rental income to 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 at 21.2% and 39.0% in 1H2017 and 1H2016 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):*

Other Income

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

Other income increased by RMB74.5 million or approximately 111% from RMB66.9 million in 1H2016 to RMB141.4 million in 1H2017, mainly due to an increase in disposal gain as a result of the disposal of 100% shareholdings in Infinity Real Estate Holdings Pte. Ltd (together with its wholly-owned subsidiary, Foshan Sanshui Nengrun Property Development Co., Ltd.) and Foshan Sanshui Fangao Land Co., Ltd (the “**Subsidiary Disposal**”), offset by a decrease in foreign exchange gain in 1H2016 due to the appreciation of Malaysian Ringgit against the US dollar as our Group had invested in our Malaysian projects financed by overseas facilities in US dollars.

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 RMB1.1 million in 1H2017 as compared with the respective period of FY2016. The higher selling and distribution expenses in 1H2017 were due mainly to the expenses incurred in the marketing of the 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.

Administrative expenses decreased by RMB8.7 million or 33% in 1H2017 and RMB1.5 million or 11% in 2Q2017 as compared with the respective periods of FY2016. The decreases were mainly attributable to a decrease in foreign exchange loss due to the appreciation of the RMB against US dollar.

Finance Costs

Finance cost, net of capitalised interest, recorded an increase of RMB11.8 million in 1H2017 and a decrease of RMB11.7 million in 2Q2017 as compared with the respective periods in FY2016. The increase in interest was mainly due to the one-off penalty interest expense for advance repayment of loan pursuant to the Subsidiary Disposal, offset by lower interest expense after the Subsidiary Disposal.

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 which is almost equivalent to that of the last period.



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):*

Income Tax (Expenses) Credit

Income tax includes statutory enterprise income tax and land appreciation tax.

Net Profit (Loss)

Whilst the Group recorded a net loss of RMB28.5 million in 2Q2017, net profit for 1H2017 amounted to RMB77.7 million. 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 RMB28.5 million in 2Q2017 and a net profit for 1H2017 amounting to RMB78.7 million.



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 amount due from customers for contract works. Our current assets as at end of FY2016 and 1H2017 amounted to approximately RMB4,741.7 million and RMB2,903.6 million respectively.

The largest components of our current assets were trade and other receivables, property held for sales, development properties and asset held for sales, which amounted to approximately RMB 4,266.4 million and RMB2,527.8 million as at the end of FY2016 and 1H2017 respectively.

Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 20.6% and 44.3% of our current assets as at the end of FY2016 and 1H2017 respectively. The RMB308.2 million or 31.5% increase in development properties was mainly due to the increase in cost for our Malaysian project and development costs, and the Sihui City Mall project.

Properties held for sales amounted to RMB190.4 million and RMB80.3 million as at the end of FY2016 and 1H2017 respectively, which include properties of Jiangnan Mingju, Sihui City Mall and Jin Long Garden.

The Group's cash and bank balances as at 30 Jun 2017 decreased by RMB64.6 million or 73% to RMB23.8 million as compared with 31 December 2016, which was primarily attributable to the net cash generated from operating activities of RMB44.3 million and investing activities of RMB345.2 million, and net cash used in financing activities of RMB454.1 million in 1H2017 respectively.

In addition, restricted cash stood at RMB364.8 million and RMB350.1 million as at end of FY2016 and 1H2017 respectively.

Trade and other receivables stood at approximately RMB445.1 million and RMB1,160.8 million at the end of FY2016 and 1H2017 respectively. The increase of RMB715.6 million in trade and other receivables was mainly due to the increase of other receivables after the Subsidiary Disposal.

Non-current assets

Non-current assets comprised mainly investment properties, plant and equipment. As at the end of FY2016 and 1H2017, our non-current assets had an aggregate net book value of approximately RMB2,065.1 million and RMB2,175.0 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 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 our investment properties was approximately RMB2,005.8 million and RMB2,130.0 million as at the end of FY2016 and 1H2017, which accounted for approximately 97% and 98% of our non-current assets as at the end of FY2016 and 1H2017 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):*

Prepaid land use right, and property, plant and equipment decreased by RMB1.3 million mainly due to purchase of office equipment and vehicle which was partially offset by amortisation/depreciation charge of RMB1.7 million for 1H2017.

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 RMB983.8 million and RMB1,215.0 million at the end of FY2016 and 2Q2017 respectively. The increase of RMB231.1 million in trade and other payables was mainly due to customers for pre-sales of properties that did not meet sales recognition criteria.

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 32% shareholding held by the minority interest in a PRC subsidiary, Guangxi Hezhou Deneng Mining Co., Ltd, 42.2% shareholding held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co, Ltd, 38% shareholding held by the minority interest in a Malaysian subsidiary, Profit Consortium Sdn Bhd and 50% shareholding held by the minority interest in a Malaysian subsidiary, Poly Ritz Green (Malaysia) Sdn. Bhd.

At the end of FY2016 and 1H2017, shareholders' equity amounted to RMB1,270.3 million and RMB1,334.2 million respectively. The increase in equity was mainly due to the profit incurred in the current period.

Cash flow statement

Net cash generated from operating activities of RMB44.3 million during 1H2017, of which net working capital inflows were mainly due to the increase in trade and other payables during the current reporting period.

Net cash generated from investing activities of RMB345.2 million mainly pertained to the Subsidiary Disposal in 1H2017.

Net cash used in financing activities of RMB454.1 million during 1H2017. This was mainly due to repayment of bank loans and other loans.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of RMB64.6 million for 1H2017.

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 period ended 31 March 2017.



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

With the Chinese central government continuing their real estate control policies, their main strategy is becoming clear – tightening of financing channels. Thus, we have observed that transacted property average selling prices per sqm in Foshan has slightly decreased by 0.87% during the current reporting period, from RMB10,107 per sqm (See Note 1 below) in 4Q2016 to RMB10,106 per sqm (See Note 1 below) in 2Q2017. Meanwhile, transaction volumes have decreased from 3.7 million sqm (See Note 1 below) in 1Q2017 to 2.9 million sqm (See Note 1 below) in 2Q2017, a decrease of approximately 23.0%.

Project Updates

As at 30 June 2017, the Group has six development projects with a gross floor area (“GFA”) of approximately 1.84 million sqm under development. The Group’s four projects located at Kuala Lumpur in Malaysia are as follows:

- 1) Project Kuchai Lama;
- 2) Project Salak;
- 3) Imbi Land; and
- 4) 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.

The Group’s projects in PRC are as follows:

- 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.

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), all of which have been launched for pre-sales and of which expressions of interests to purchase approximately 81,960 sqm, have been secured as at 30 June 2017.

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 30 June 2017 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	823,255	81,960	10,045	100%
Jiangnan Mingju Phases 5 and 6	991,124	145,510	6,811	100%
Sihui City Mall	352,774	55,063	6,407	99-100%
Total	2,167,153	282,533	7,670	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 Jan to Jun 2017 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	10,801	1,270	8,505	100%
Jiangnan Mingju Phases 5 and 6	1,716	211	8,152	100%
Sihui City Mall	10,098	1,439	7,015	99-100%
Total	22,615	2,920	7,745	NA

The sales/pre-sales (See Note 2 below) of our projects for 2Q2017 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	2,737	450	6,082	100%
Jiangnan Mingju Phases 5 and 6	812	63	12,992	100%
Sihui City Mall	892	176	5,056	99-100%
Total	4,441	689	6,446	NA

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Minju Phases 5 and 6 in 2Q2017 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 2Q2017 when handed over.

The Group remains cautious about the outlook of the property market. Nonetheless, the Group will strategically continue to explore opportunities for investment properties.

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

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



以人为本 稳定发展 房产先锋

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.*

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) 1H2017	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 1H2017
Zhong Yu Xin ⁽¹⁾	S\$ 333,020 ⁽²⁾	-

Notes:

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

(2) *Lease of Debao Hotel.*

BY ORDER OF THE BOARD

Yuan Le Sheng
Executive Chairman and CEO

11 August 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 half year ended 30 June 2017 results to be false or misleading in any material respect.

On behalf of the Board of Directors

Yuan Le Sheng
Executive Chairman and CEO

Zhang Mao
Executive Director

11 August 2017