



以人为本 稳定发展 房产先锋

The Company is required to perform quarterly reporting on an ongoing basis from 7 February 2020. This arises from the modified opinion issued by the company's statutory auditor in the Company's latest audited financial statements for the financial year ended 31 December 2018.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020 ("3Q2020 and 9M2020")

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

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

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

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Actual CFS (As defined herein)					
	3Q2020	3Q2019	% Change	9M2020	9M2019	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	55,931	27,835	101%	260,180	107,129	143%
Cost of sales	(19,070)	(9,096)	110%	(134,010)	(43,629)	207%
Gross profit	36,861	18,739	97%	126,170	63,500	99%
Other expenses	(2,769)	(821)	237%	(521)	(7,713)	(93%)
Selling and distribution expenses	(1,830)	(1,136)	61%	(4,236)	(3,767)	12%
Administrative expenses	(13,178)	(25,134)	(48%)	(39,523)	(40,662)	(3%)
Finance costs	(55,141)	(28,454)	94%	(165,878)	(98,290)	69%
Loss before income tax	(36,057)	(36,806)	(2%)	(83,988)	(86,932)	(3%)
Income tax expenses	(1,259)	(52)	NM*%	(3,132)	(59)	NM*%
Net loss for the period	(37,316)	(36,858)	1%	(87,120)	(86,991)	0%
Other comprehensive (loss) income						
Currency translation difference	23,212	(17,350)	NM*	5,598	(12,995)	NM*
Total Comprehensive loss for the period	(14,104)	(54,208)	(74%)	(81,522)	(99,986)	(18%)
Loss attributable to:						
Equity holders of the Company	(35,080)	(35,043)	0%	(81,698)	(82,684)	(1%)
Minority interest	(2,236)	(1,815)	23%	(5,422)	(4,307)	26%
	(37,316)	(36,858)	1%	(87,120)	(86,991)	0%
Total comprehensive loss attributable to:						
Equity holders of the Company	(11,868)	(52,393)	(77%)	(76,100)	(95,679)	(20%)
Minority interest	(2,236)	(1,815)	23%	(5,422)	(4,307)	26%
	(14,104)	(54,208)	(74%)	(81,522)	(99,986)	(18%)



以人为本 稳定发展 房产先锋

#_ In adopting Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) with effect from 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018

NM = Not meaningful

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

	Actual Consolidated Statement of Comprehensive Income					
	3Q2020	3Q2019	% Change	9M2020	9M2019	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	244	237	3%	1,367	1,286	6%
Interest expense	55,141	28,454	94%	165,878	98,290	69%
Interest income	(251)	(289)	(13%)	(673)	(1,261)	(47%)
Exchange (gain)/loss	(23,212)	(18,011)	29%	(5,598)	12,995	NM*

NM = Not meaningful



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	
	30.09.2020 RMB'000	31.12.2019 RMB'000	30.09.2020 RMB'000	31.12.2019 RMB'000
Assets				
<u>Current assets</u>				
Cash and bank equivalents	18,426	15,897	28	30
Restricted cash and cash equivalents	10,000	20,000	-	-
Trade and other receivables	533,420	584,363	942,398	952,172
Contract assets	29,479	5,424	-	-
Prepaid leases	4,641	9,469	-	-
Inventories	516	503	-	-
Property held for sale	47,876	41,343	-	-
Development properties	956,713	1,037,408	-	-
Disposal group assets classified as held-for-sale	176,616	176,616	-	-
Total current assets	1,777,687	1,891,023	942,426	952,202
<u>Non-current Assets</u>				
Prepaid leases	2,576	2,956	-	-
Property, plant and equipment	21,794	23,665	-	-
Investment properties	2,118,669	2,123,413	-	-
Investment in an associate	45	45	-	-
Trade and other receivables	10,000	10,000	-	-
Financial asset, FVOCI	-	-	*	*
Deferred tax assets	19,017	19,017	-	-
Total non-current assets	2,172,101	2,179,096	*	*
Total assets	3,949,788	4,070,119	942,426	952,202
Liabilities and shareholders' equity				
<u>Current liabilities</u>				
Bank and other loans	1,385,743	1,470,077	-	-
Trade and other payables	771,920	755,787	89,446	94,905
Lease payables	32,817	30,600	-	-
Contract liabilities	80,000	80,000	-	-
Provisions	90,515	90,515	-	-
Tax payables	104,156	101,360	33,879	35,265
Liabilities directly associated with disposal assets classified as held-for-sale	174,616	174,616	-	-
Total current liabilities	2,639,767	2,702,955	123,325	130,170
<u>Non-current liabilities</u>				
Bank and other loans	360,898	334,919	-	-
Long term payables	156,245	157,845	-	-
Deferred tax liabilities	264,709	264,709	-	-
Total non-current liabilities	781,852	757,473	-	-
Shareholders' equity	528,169	609,691	819,101	822,032
Total liabilities and Shareholders' equity	3,949,788	4,070,119	942,426	952,202

* Less than RMB 1,000



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:

As announced on SGXNet on 21 April 2020, on the advice of the Company's auditors, the Company will cease to publish the proforma financial statements to illustrate what the current year/period's results will be like if common control was applied to the acquisitions during listing. Please refer to the SGX announcement for further details.

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

	Group CFS	
	30.09.2020	31.12.2019
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand:		
Secured	1,385,743	1,470,077
Sub-total (1)	1,385,743	1,470,077
Amount repayable after one year:		
Secured	360,898	334,919
Sub-total (2)	360,898	334,919
Total debt (1)+(2)	1,746,641	1,804,996



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)*

The following loans are still outstanding:

(a) Bank loans

1. Loans from a lender amounting to RMB 33,500,000 (2019: RMB 43,000,000) with effective interest rates from 5% to 8.5% (2019: 5% to 8.5%) per annum, are secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2020. The Company has received verbal confirmation that the loan maturity can be extended and/or rolled over, and will seek to formalize this before the loan maturity.
2. Loans from a lender amounting to RMB 35,000,000 (2019: Nil) with an effective interest rate at 5% (2019: Nil) per annum, are secured by investment properties and repayable in 2022.
3. Loans from a lender amounting to RMB 250,000 (2019: 625,000) with an effective interest rate at 9.55% (2019: 9.55%) per annum, were unsecured and repayable in 2021.
4. Loans from a lender amounting to RMB 337,353,000 (2019: RMB 343,080,000) with effective interest rates from 6.86% to 7.35% (2019: 6.86% to 7.35%) per annum, are secured by a shareholder of the Group and its subsidiaries, land use rights of the Group, property, plant and equipment and investment properties and repayable in 2032 to 2036.
5. Loans from a lender amounting to RMB 15,000,000 (2019: Nil) with effective interest rates at 4.65% (2019: Nil) per annum, are secured by investment properties and repayable in 2021.
6. Loan from a lender amounting to RMB 3,600,000 (2019: Nil) with effective interest rates at 5.8% (2019: Nil) per annum, are secured by investment properties and repayable in 2030.

(b) Other loans

7. Loans from a lender amounting to RMB 1,021,781,000 (2019: RMB 1,046,505,000) with an effective interest rate 13.00% (2019: 11.00% to 13.00%) per annum and are secured by a shareholder of the Group and its subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties and repayable in 2020.



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)*

Management, together with the independent auditor, held a phone conference with Tommy Yan, Assistant Vice President of Huarong on 28 September 2020, and have verbally confirmed Huarong's plans to roll over the loan. During the meeting, Huarong proposed a few options to Debao to effect the roll over, pending due diligence work and final approval from the Huarong head office.

Minutes of this phone conference between the company and Huarong were documented, and Huarong confirmed via electronic mail to the independent auditor the contents of this phone conference. In the minutes, Huarong indicated that the due diligence work cannot commence until COVID-19 is over.

(b) Other loans

1. To support the Group's operating cash flows requirements, the Group obtained loans from individuals and other non-financial institutions amounting to RMB 109,560,000. These loans bore average annual interest rates from 21.6% to 33.6%, secured either by a guarantee given by a subsidiary, secured over properties held for sale, land use rights or investment properties of the Group. These loans are repayable within the next twelve months. We are negotiating with the individual loan lenders to restructure the loans by Dec 2020.
2. Loan from a lender amounting to RMB 190,597,000 (2019: RMB 190,597,000) with interest rate from 15% to 20% (2019: 15% to 20%) per annum, are secured by the shares of our subsidiaries.

The Company is aware of the lower interest rate environment globally and management will take the opportunity to re-negotiate for a lower interest rate with lenders, wherever possible, to lower the Company's effective cost of debt.



以人为本 稳定发展 房产先锋

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

	Group CFS			
	3Q2020	3Q2019	9M2020	9M2019
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit (Loss) after tax	(37,316)	(36,858)	(87,120)	(86,991)
Adjustments for:				
Income tax expenses	1,259	52	3,132	59
Depreciation and amortization	244	237	1,367	1,286
Interest expense	55,141	28,454	165,878	98,290
Interest income	(251)	(289)	(673)	(1,261)
Unrealized exchange gain (loss)	23,212	(18,011)	5,598	(12,995)
Operating profit (loss) before working capital changes	42,289	(26,415)	88,182	(1,612)
Trade and other receivables	142,417	7,529	56,151	4,708
Contract assets	(16,370)	(458)	(24,055)	475
Inventories	(16)	(251)	(13)	(270)
Development properties	(12,398)	(57,376)	80,695	29,666
Properties held for sales	(7,705)	700	(6,533)	1,011
Trade and other payables	(13,905)	23,144	14,533	43,066
Net cash generated from operations	134,312	(53,127)	208,960	77,044
Interest paid	(55,141)	(28,454)	(165,878)	(98,290)
Interest received	251	289	673	1,261
Income taxes paid	(2,015)	1,499	(336)	1,499
Net cash generated from (used in) operating activities	77,407	(79,793)	43,419	(18,486)
Cash flows from investing activities				
Proceeds from disposal (Purchase) of properties, plant and equipment, net	365	(339)	504	(979)
Decrease (increase) in investment property	1,981	(311)	4,744	86
Proceeds from (Increase in) disposal group assets classified as held-for-sale	-	-	-	6,000
Proceeds from disposal of financial assets, FVOCI	-	-	-	1,300
Net cash (used in) generated by investing activities	2,346	(650)	5,248	6,407
Cash flows from financing activities				
Decrease (increase) in fixed deposits restricted cash	-	77,984	10,000	67,860
Lease payables	-	-	2,217	-
(Repayment) Drawing of bank loans and other loans, net	(73,923)	(52,638)	(58,355)	(62,150)
Net cash generated from (used in) financing activities	(73,932)	25,346	(46,138)	5,710
Net (decrease) increase in cash and cash equivalents	5,830	(55,097)	2,529	(6,369)
Cash and cash equivalents at the beginning of the periods	12,596	66,253	15,897	17,525
Cash and cash equivalents at the end of the periods	18,426	11,156	18,426	11,156



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 CFS								
	Share 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 2019 (restated)	909,831	(160,562)	(8,601)	23,886	86,726	-	851,280	(23,465)	827,815
Loss for the period	-	(82,684)	-	-	-	-	(82,684)	(4,307)	(86,991)
Other comprehensive profit for the period	-	-	(12,995)	-	-	-	(12,995)	-	(12,995)
Balance as at 30 September 2019	909,831	(243,246)	(21,596)	23,886	86,726	-	755,601	(27,772)	727,829
Balance as at 1 January 2020	909,831	(366,503)	(13,787)	23,886	86,726	-	640,153	(30,462)	609,691
Loss for the period	-	(81,698)	-	-	-	-	(81,698)	(5,422)	(87,120)
Other comprehensive loss for the period	-	-	5,598	-	-	-	5,598	-	5,598
Balance as at 30 September 2020	909,831	(448,201)	(8,189)	23,886	86,726	-	564,053	(35,884)	528,169



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 2019 (restated)	909,831	(107,641)	25,625	827,815
Total comprehensive (loss) profit for the period	-	(20,921)	(7,598)	(28,519)
Balance as at 30 September 2019	909,831	(128,562)	18,027	799,296
Balance as at 1 January 2020	909,831	(135,501)	47,702	822,032
Total comprehensive (loss) profit for the period	-	29,704	(32,635)	(2,931)
Balance as at 31 September 2020	909,831	(105,797)	15,067	819,101

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil

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

There were no treasury shares as at 30 September 2020 and 31 December 2019 respectively.

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

	30.09.2020		31.12.2019	
	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.



以人为本稳定发展房产先锋

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.

- 3A *Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-*

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that a material uncertainty relating to going concern.

Reference is made to Company's announcement on the 1H2020 financial results dated 14 Aug 2020. The independent auditors are still resolving the issues. The Company has also engaged internal auditors in Malaysia to review the Ernst & Young ("EY") report dated 9 November 2018 and to ensure that the internal control weaknesses identified in the report have been rectified.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.*

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed in these financial statements.

The FY2019 audit is currently in its final stages. The Company will update shareholders when the audit is completed.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as compared with those used in the audited financial statements for the financial year ended 31 December 2018.



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.*

The Group and Company have adopted the new and revised SFRS(I) applicable for the financial year beginning 1 January 2019. The impact of adopting the following SFRS(I) which is effective for financial year beginning 1 January 2019, is detailed as follows:

SFRS(I) 16 – Leases

The Group and Company adopted SFRS(I) 16 and elected modified retrospective method where the lease liability was measured at the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application. The Company adopted to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognized in the balance sheet as at 1 January 2019. In addition, the Group elected the following practical expedients:

- i) not to reassess whether a contract is, or contain a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- ii) to apply the exemption not to recognize right-of-use assets and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019; and
- iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

Summary of impact:	RMB(million)
Non-current assets	
Right-of-use assets	-
Non-current liabilities	
Lease liabilities	-
Current liabilities	
Lease liabilities	-

The FY2019 audit is currently in progress. The Company will update shareholders when the audit is completed.



以人为本稳定发展房产先锋

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	Group CFS			
	3Q2020	3Q2019	9M2020	9M2019
Profit (Loss) Per Share				
Basic (a)	(46.77)	(46.72)	(108.93)	(110.25)

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

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

RMB	Group		Company	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Net asset value per ordinary share based on issued share capital at end of financial year*	7.04	8.13	10.92	10.96

In adopting SFRS(I) with effect from 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(1). Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(1) effective as at 31 December 2018.

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

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.*

Review based on our unaudited Actual Consolidated Financial Statements

Income statement

Revenue

The Group's revenue increased by RMB 153.1 million, or 143.0%, from RMB 107.1 million in 9M2019 to RMB 260.2 million in 9M2020. This was mainly due to an increase in property sales of BAY ONE by 149.1 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):*

Cost of Sales and Gross Profit

Cost of sales increased by RMB 90.4 million, or 207.3%, from RMB 43.6 million in 9M2019 to RMB 134.0 million in 9M2020. This was mainly due to an increase in properties cost which are in line with the increase in properties sales.

Our overall gross profit margin decreased from 59.3% in 9M2019 to 48.5% in 9M2020. The decrease in gross profit margin is mainly due to the sales mix in 9M2019 which contains a higher portion of revenue from rental income which has a higher gross profit margin.

Other Losses

Other losses mainly includes interest income, foreign exchange gain/loss and miscellaneous expenses offset by the surcharge income from property management services and other miscellaneous income.

Other losses decreased by RMB 7.2 million from RMB 7.7 million in 9M2019 to RMB 0.5 million in 9M2020. The decrease is mainly due to a one-off maintenance repair fee amounting to RMB 4.5 million in 9M2019 offset by legal expenses paid.

Selling and Distribution Expenses

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

The selling and distribution expenses increased by RMB 0.5 million in 9M2020 as compared to the previous corresponding period. The increase in selling and distribution expenses in 9M2020 were due mainly to the advertising and promotion expenses for BAY ONE.

Administrative Expenses

Administrative expenses comprise various expenses such as salaries and staff-related expenses, utilities, depreciation charges for building and office equipment, telecommunication expenses, professional fees, travelling expenses and other general office overhead expenses.

Administrative expenses decreased by RM 1.2 million or 3.0% from RMB 40.7 million in 9M2019 to RMB 39.5 million in 9M2020. It was mainly attributable to the Group's efforts to control salary and bonuses, travelling expenses and other general office overheads due to business slowdown and the outbreak of COVID-19.



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):*

Finance Costs

Finance cost, net of capitalised interest, recorded a RMB 165.9 million in 9M2020, while recorded a RMB 98.3 million in 9M2019.

Depreciation

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

Income Tax Expenses

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

The increase in income tax is mainly due to a final assessment issued by tax bureau for approximately RMB 1 million for the additional tax on the use of land.

Currency Translation Difference

The Group has overseas subsidiaries in Hong Kong, Malaysia and Singapore. The translation differences arose from the difference in exchange rates on overseas assets and liabilities. The major components that caused translation difference (1) USD loan amounting to USD 150 million; (2) investment properties and development properties held in Malaysian Ringgit; and (3) other assets and liabilities in overseas currencies.

The currency translation gains in 3Q2020 is mainly due to the appreciation of RMB against the Malaysian Ringgit and the Singapore Dollar which led to gains in Malaysia and Singapore assets, together with the appreciation of RMB against USD, which resulted in translation gains in our USD loan and liabilities.

Net Loss

The Group recorded a net loss of RMB 87.1 million in 9M2020, compared to a net loss of RMB 87.0 million in 9M2019.



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 as at 30 Sep 2020

Current Assets

Current assets comprise mainly development properties, cash and bank balances, restricted cash and cash equivalents, property held for sales and trade and other receivables. Current assets amounted to approximately RMB 1,777.7 million in 9M2020 compared to approximately RMB 1,891.0 million in FY2019.

The largest components of our current assets were development properties, property held for sales and trade and other receivables, which stood at RMB 1,538.0 million, as compared to RMB 1,663.1 million in FY2019.

Development properties, which include the cost of land, interest capitalized, and related costs, accounted for approximately RMB 956.7 million compared to RMB 1,037.4 million a year ago, the decrease was mainly due to the increased properties sales in BAY ONE, partially offset by the increase in development properties due to the continuing constructions in BAY ONE.

The Group's property held for sales increased by RMB 6.5 million, from RMB 41.3 million in FY2019 to RMB 47.9 million in 9M2020.

In addition, restricted cash stood at RMB 10.0 million, 50.0% lower than RMB 20.0 million as in FY2019, which is the result of repayment of bank loans which thus released the related restricted cash.

Trade and other receivables stood at approximately RMB 533.0 million, which decreased by 50.9 million compared to RMB 584.4 million in FY2019, which was mainly due to the increased collections from BAY ONE sales proceeds.



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 comprise mainly property, plant and equipment and investment properties. The amount stood at RMB 2,172.1 million compared to 2,179.1 million as at end of FY2019.

The net book value of investment properties was approximately RMB 2,118.7 million. These are held to generate rental income and/or for capital appreciation. Our investment properties comprise mainly of 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 Group has engaged a licensed surveyor to perform a valuation appraisal of its properties for the audit, and the valuation work is being reviewed and approved by the auditors.

Current liabilities

Trade and other payables, which mainly comprise amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB 771.9 million, approximately 2.1% higher than RMB 755.8 million as at 31 December 2019. The increase in trade and other payables was mainly due to construction works in BAY ONE, offset by the settlement of trade and other payables for the period.

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

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

Shareholders' equity amounted to RMB 528.2 million, representing a decrease of RMB 81.5 million from RMB 609.7 million at 31 December 2019, due to the loss incurred in this period.

Cash flow statement

The Group has a net cash inflow in operating activities of RMB 43.4 million in 9M2020, which comprises operating cash inflows before movements in working capital of RMB 88.2 million, in addition to net working capital generated from operations of RMB 120.7 million and adjusted by net use in finance cost and interest received as well as income tax of approximately RMB 165.5 million. The net working capital outflows were mainly due to net cash outflow by interest paid, offset by decrease in both development properties and trade and other payables during the current reporting period.

The net cash inflow in investing activities is RMB 5.2 million.

The Group recorded a net cash outflow in financing activities of RMB 46.1 million during 9M2020. This was mainly due to a decrease in bank loans.

With the above, the Group has recorded a net increase in cash and cash equivalents of RMB 2.5 million for 9M2020.



以人为本 稳定发展 房产先锋

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 statement which was previously disclosed to shareholders in the results announcement for the financial year ended 31 December 2019.

10. *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*

Market Outlook

Transaction volumes decreased slightly to 3.6 million sqm in 3Q2020 (3.7 million sqm in 2Q2020). We do not expect the conditions for our industry to improve significantly as the COVID-19 outbreak continues to affect our operations.

However, the National Day holidays will give rise to a boost to the market. With the potential relaxation of quarantine policy for people travelling from Hong Kong and Macau, there may be an increase in potential buyers in the market.

Project Updates

Project in Malaysia

1. Project Imbi (“The Landmark”)
The Landmark is a development project of twin residential towers. The towers are located in the CBD of Kuala Lumpur, opposite Tun Razak Exchange. Each tower consists of 73 floors and there are 1338 high-end service apartments in total. The towers have 2 swimming pools, a library, a mini golf park, a BBQ area, sky park and butler services to its residents. It also has a skyline restaurant to provide high end catering for its residents and the general public.
2. Project Kuchai Lama
It is a development project which consists of 4 apartment towers. In total, it can provide 1128 mid class service apartments and 1948 car park lots. It is located in Kuchai Lama which is approximately 14 km from the center of Kuala Lumpur. The project has yet to commence.



以人为本 稳定发展 房产先锋

- 10 *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (continued).*

Projects in China

3. **Tianjin Boulevard**
A development project which consists of a hotel and a shopping mall. Total redevelopment area is approximately 40,000 sq meters. All redevelopment work has been completed. Tianjin Boulevard project is expected to generate rental income till 2032.

4. **Bay One Project**
A residential and shopping mall development project, located in a Tier 4 city, Sihui, Guangdong Province, comprising 4 tower apartments each of 20 floors and 1 tower of hotel and apartments. The project consists of 1778 apartments with 4 blocks of street style commercial blocks and 739 car park lots.



以人为本 稳定发展 房产先锋

10 *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (continued).*

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 30 September 2020 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
The Landmark-Malaysia	69,455	2,255	30,800	10%
Jin Long Garden-South Zone	853,234	87,363	9,767	100%
Jiangnan Mingju Phases 5 and 6	1,003,515	146,595	6,845	100%
Sihui City Mall	377,480	58,229	6,483	100%
Sihui Bay One	201,780	24,326	8,295	48%
Total	2,505,465	318,768	7,860	NA

The accumulated sales/pre-sales (See Note 2 below) status of our projects for 9M2020 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
The Landmark-Malaysia	-	-	-	10%
Jin Long Garden – South Zone	7,122	736	9,677	100%
Jiangnan Mingju Phases 5 and 6	8,900	520	17,115	100%
Sihui City Mall	-	-	-	100%
Sihui Bay One	176,779	21,520	8,215	48%
Total	192,801	22,776	8,465	NA

The sales/pre-sales (See Note 2 below) of our projects for 3Q2020 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
The Landmark-Malaysia	-	-	-	10%
Jin Long Garden – South Zone	1,075	132	8,144	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	-	-	-	100%
Sihui Bay One	37,163	4,908	7,572	48%
Total	38,238	5,040	7,587	NA

Sales for Jiangnan Mingju Phases 5 and 6 in 9M2020 have been recognised as revenue in the current reporting periods. The sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-ventured project) have also been recognised in 9M2020 when handed over.

Notes

- (1) Source from Bureau of Housing and Urban-Rural Development of Foshan (<http://www.fsjw.gov.cn/zw/gk/zdxxgk/fdsc/sjtj/>).
- (2) Sales/pre-sales with certainty on receipt of purchase consideration, including those not ready for handover or key collections.
- (3) The Landmark Malaysia was previously known as Imbi project.



以人为本 稳定发展 房产先锋

11. *Dividend*

(a) *Current Financial Period Reported on*

No dividend is proposed as the Company is loss-making for the year.

(b) *Corresponding Period of the Immediately Preceding Financial Year*

None.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. *If no dividend has been declared/ recommended, a statement to that effect.*

The Group recorded a net loss for 9M2020.



以人为本 稳定发展 房产先锋

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) 9M2020	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 9M2020
Zhong Yu Xin ⁽¹⁾	S\$521,814 ⁽²⁾	-
Yuan Le Sheng ⁽³⁾	S\$ 89,454 ⁽⁴⁾	-

Notes:

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

BY ORDER OF THE BOARD

Zhong Yu Zhao
Executive Director and CEO
14 November 2020

Confirmation by the Board

We, Zhong Yu Zhao and Yuan Jia Jun, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the three months ended 30 September 2020 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 SGX-ST Listing Manual.

On behalf of the Board of Directors

Zhong Yu Zhao
Executive Director and CEO

Yuan Jia Jun
Executive Director

14 November 2020