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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2014 (“4Q and 2014”)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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)					
	4Q2014	4Q2013	% Change	2014	2013	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	30,206	193,043	(84%)	127,999	280,383	(54%)
Cost of sales	(36,120)	(119,807)	(70%)	(78,210)	(165,553)	(53%)
Gross profit	(5,914)	73,236	(108%)	49,789	114,830	(57%)
Other income	9,630	6,302	53%	12,603	11,581	9%
Selling and distribution expenses	(5,996)	(10,813)	(45%)	(30,851)	(18,378)	68%
Administrative expenses	(33,795)	(24,249)	39%	(70,989)	(56,742)	25%
Share of a jointly controlled operation profit	(13,764)	6,056	(327%)	(10,105)	25,962	(139%)
Change in fair value of investment property	675,674	147,332	359%	675,674	147,332	359%
Gain on disposal of subsidiary	-	2,542	(100%)	-	2,542	(100%)
Investment income	-	37,897	(100%)	-	37,897	(100%)
Finance costs	(46,713)	(40,989)	14%	(122,607)	(98,395)	25%
Profit before income tax	579,122	197,314	194%	503,514	166,629	202%
Income tax expenses	(178,666)	(45,749)	291%	(181,760)	(56,937)	219%
Net profit for the period	400,456	151,565	164%	321,754	109,692	193%
Other comprehensive income (loss)						
Revaluation of prepaid leases and building on transfer to investment property	-	23,716	(100%)	-	23,716	(100%)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	-	(5,928)	(100%)	-	(5,928)	(100%)
Currency translation difference	11,000	(539)	(2,141%)	15,433	(1,080)	(1,529%)
Total Comprehensive profit for the period	411,456	168,814	144%	337,187	126,400	167%
Profit attributable to:						
Equity holders of the Company	184,787	128,933	43%	114,886	87,918	31%
Non-controlling interest	215,669	22,632	853%	206,868	21,774	850%
	400,456	151,565	164%	321,754	109,692	193%
Total comprehensive profit attributable to:						
Equity holders of the Company	195,787	146,182	34%	130,319	104,626	25%
Non-controlling interest	215,669	22,632	853%	206,868	21,774	850%
	411,456	168,814	144%	337,187	126,400	167%



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

Proforma Consolidated Statement of Comprehensive Income

	Proforma CFS (As defined herein)					
	4Q2014	4Q2013	% Change	2014	2013	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	30,206	193,043	(84%)	127,999	280,383	(54%)
Cost of sales	(34,624)	(115,800)	(70%)	(74,951)	(159,530)	(53%)
Gross profit	(4,418)	77,243	(106%)	53,048	120,853	(56%)
Other income	9,630	6,302	53%	12,603	11,581	9%
Selling and distribution expenses	(5,996)	(10,813)	(45%)	(30,851)	(18,378)	68%
Administrative expenses	(33,738)	(24,380)	38%	(70,763)	(56,492)	25%
Share of a jointly controlled operation profit	(13,765)	6,310	(318%)	(10,000)	26,899	(137%)
Change in fair value of investment property	675,674	147,332	359%	675,674	147,332	359%
Gain on disposal of subsidiary	-	2,542	(100%)	-	2,542	(100%)
Gain on acquisition of subsidiary	-	-	-	-	-	-
Investment income	-	37,897	(100%)	-	37,897	(100%)
Finance costs	(46,713)	(40,989)	14%	(122,607)	(98,395)	25%
Profit before income tax	580,674	201,444	188%	507,104	173,839	192%
Income tax expenses	(179,055)	(46,719)	283%	(182,632)	(58,506)	212%
Net profit for the period	401,619	154,725	160%	324,472	115,333	181%
Other comprehensive income (loss)						
Revaluation of prepaid leases and building on transfer to investment property	-	28,943	(100%)	-	28,943	(100%)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	-	(7,236)	(100%)	-	(7,236)	(100%)
Currency translation difference	11,000	(539)	(2,141%)	15,433	(1,080)	(1,529%)
Total Comprehensive profit for the period	412,619	175,893	135%	339,905	135,960	150%
Profit attributable to:						
Equity holders of the Company	185,950	132,093	41%	117,604	93,559	26%
Non-controlling interest	215,669	22,632	853%	206,868	21,774	850%
	401,619	154,725	160%	324,472	115,333	181%
Total comprehensive profit attributable to:						
Equity holders of the Company	196,950	153,261	29%	133,037	114,186	17%
Non-controlling interest	215,669	22,632	853%	206,868	21,774	850%
	412,619	175,893	135%	339,905	135,960	150%



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

Explanatory Notes:

As a result of the restructuring exercise of our Company and its subsidiaries (the “**Group**”) (the “**Restructuring Exercise**”) for the purpose of 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 cannot 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 2013 (“**4Q2013 and 2013**”) and the fourth quarter and year ended 31 December 2014 (“**4Q2014 and 2014**”), 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 4Q2013, 2013, 4Q2014 and 2014 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 4Q2013, 2013, 4Q2014 and 2014 (the “**Proforma Consolidated Financial Statements**” or “**Proforma CFS**”) for illustrative purposes only, based on certain assumptions and after making certain adjustments to show what the financial results of our Group would have been, if it had been in place since 1 January 2006.

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



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

	Actual Consolidated Statement of Comprehensive Income					
	4Q2014	4Q2013	% Change	2014	2013	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	999	939	6%	3,184	3,757	(15%)
Amortisation	56	21	167%	223	82	172%
Interest expense	46,713	40,989	14%	122,607	98,395	25%
Interest income	(9,183)	(4,566)	101%	(11,769)	(9,270)	27%

	Proforma Consolidated Statement of Comprehensive Income					
	4Q2014	4Q2013	% Change	2014	2013	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	942	882	7%	2,958	3,507	(16%)
Amortisation	56	21	167%	223	82	172%
Interest expense	46,713	40,989	14%	122,607	98,395	25%
Interest income	(9,183)	(4,566)	101%	(11,769)	(9,270)	27%



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

Statements of Financial Position

	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS						
Current assets						
Cash and bank equivalents	99,713	76,168	99,713	76,168	47	48
Restricted cash and cash equivalents	324,762	268,155	324,762	268,155	-	-
Trade and other receivables	385,801	179,723	385,801	179,723	-	-
Amount due from related parties	239,555	5,698	239,555	5,698	-	-
Due from subsidiaries	-	-	-	-	674,697	672,587
Amount due from customers for contract work	1,447	11,852	1,447	11,852	-	-
Inventories	247	249	247	249	-	-
Property held for sales	398,945	391,354	389,390	380,279	-	-
Development properties	1,740,442	1,611,940	1,472,369	1,342,128	-	-
Prepaid land use right	223	223	223	223	-	-
Dividends receivable	-	-	-	-	-	22,458
Total current assets	3,191,135	2,545,362	2,913,507	2,264,475	674,744	695,093
Non-current Assets						
Prepaid land use right	4,808	5,031	4,808	5,031	-	-
Property, plant and equipment	25,922	27,454	22,593	23,899	-	-
Investment properties	2,001,707	957,032	2,001,707	957,032	-	-
Investment in a jointly controlled operation	14,408	24,513	13,784	23,784	-	-
Trade and other receivables	20,000	10,000	20,000	10,000	-	-
Investment in subsidiaries	-	-	-	-	1,815	1,018
Other investment	1,800	1,800	1,800	1,800	-	-
Deferred tax assets	10,223	9,871	10,223	9,871	-	-
Goodwill	4,192	4,192	4,192	4,192	-	-
Total non-current assets	2,083,060	1,039,893	2,079,107	1,035,609	1,815	1,018
Total assets	5,274,195	3,585,255	4,992,614	3,300,084	676,559	696,111
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Bank and other loans	1,335,527	951,211	1,335,527	951,211	-	-
Trade and other payables	768,337	430,227	768,337	430,227	8,963	9,063
Long term payable-current portion	19,538	12,442	19,538	12,442	-	-
Amount due to related parties	131,370	97,201	131,370	97,201	-	-
Due to subsidiaries	-	-	-	-	34,946	34,854
Tax payables	67,427	72,114	67,427	72,114	-	-
Total current liabilities	2,322,199	1,563,195	2,322,199	1,563,195	43,909	43,917
Non-current liabilities						
Bank and other loans	834,526	404,826	834,526	404,826	-	-
Trade and other payables	20,663	20,663	20,663	20,663	-	-
Long term payable	157,869	159,590	157,869	159,590	-	-
Deferred tax liabilities	337,230	172,460	268,245	102,603	-	-
Total non-current liabilities	1,350,288	757,539	1,281,303	687,682	-	-
Shareholders' equity	1,601,708	1,264,521	1,389,112	1,049,207	632,650	652,194
Total liabilities and Shareholders' equity	5,274,195	3,585,255	4,992,614	3,300,084	676,559	696,111



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

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 investment properties, development properties and investments in jointly controlled operations as well as the associated tax effect on the fair value of 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.

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

	Group (Actual CFS)	
	31.12.2014	31.12.2013
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand		
Secured (a) (b)	1,325,527	951,211
Unsecured (c)	10,000	-
Sub-total (1)	1,335,527	951,211
Amount repayable after one year		
Secured (a) (b)	816,247	386,547
Unsecured (c)	18,279	18,279
Sub-total (2)	834,526	404,826
Total debt (1)+(2)	2,170,053	1,356,037



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

Notes:

Bank loans

- (a) Bank loans amounting to RMB38,533,000 (2013: RMB45,372,000) with an interest rate of 6.55% (2013: 6.55%) per annum are repayable from 2015 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 RMB7,244,000 (2013: RMB6,825,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB31,309,000 (2013: RMB38,547,000).

Bank loan amounting to RMB45,000,000 (2013: RMB67,500,000) with an interest rate of 8.40% (2013: 6.16% to 7.20%) per annum, are repayable in 2015, secured by land use rights of the Group.

Bank loan amounting to RMB129,500,000 (2013: RMB125,000,000) with an interest rate of 6% (2013: 6%) per annum, are repayable in 2015, secured by certain land use rights and property of the Group and restricted cash and cash equivalents of RMB 80,000,000.

Bank loan amounting to RMB100,000,000 (2013: RMB100,000,000) with an interest rate of 7% (2013: 6.15% to 7.50%) per annum, are repayable in 2015 or repayable upon demand and were secured by certain land use rights of the Group.

Bank loan amounting to RMB Nil (2013: RMB16,000,000) with an interest rate of 7.80% (2013: 7.80%) per annum, has been repaid in 2014, and secured by certain properties of a contractor.

Bank loan amounting to RMB Nil (2013: RMB12,000,000) with an interest rate of 7.50% (2013: 7.50%) per annum, has been repaid in 2014, and secured by investment property of the Group.

Bank loan amounting to RMB75,000,000 (2013: RMB67,000,000) with an interest rate of 7% to 7.80% (2013: 5.60% to 7.80%) per annum, are repayable and 2015, secured by land use rights and investment properties of the Group and restricted cash and cash equivalents of RMB17,170,000

Bank loan amounting to RMB58,000,000 (2013: RMB106,900,000) with an interest rate of 6% to 6.30% (2013: 5.60% to 7.80%) per annum, are repayable in 2015, secured by land use rights of the Group.

Bank loan amounting to RMB Nil (2013: RMB12,000,000) with an interest rate of 7.20% (2013: 5.60% to 7.80%) per annum, has been repaid in 2014, secured by land use rights of the Group, as well as guaranteed by two directors of the Group.

Bank loan amounting to RMB Nil (2013: RMB95,000,000) with an interest rate of 6.44% (2013: 6.30% to 7.87%) per annum, has been repaid in 2014, secured by investment properties of the Group and restricted cash and cash equivalents of RMB 20,650,000.

Bank loan amounting to RMB27,000,000 (2013: RMB32,500,000) with an interest rate of 6% (2013: 6%) per annum, are repayable in 2015, secured by land use rights and property of the Group.



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

Bank loan amounting to RMB72,500,000 (2013: RMB92,500,000) with an interest rate of 6% to 6.15% (2013: 6% to 6.15%) per annum, are secured by land use rights of the Group and restricted cash and cash equivalents of RMB50,000,000. The current portion of these loans amounted to RMB72,500,000 (2013: RMB42,500,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB Nil (2013: RMB50,000,000).

Bank loan amounting to RMB10,000,000 (2013: RMB90,000,000) with an interest rate of 6.15% (2013: 6.15% to 6.77%) per annum, are repayable in 2015, are secured restricted cash and cash equivalents of RMB 10,000,000.

Bank loan amounting to RMB Nil (2013: RMB60,000,000) with an interest rate of 8.79% (2013: 8.79%) per annum, has been repaid in 2014, secured by land use rights of the Group. The current portion of these loans amounted to RMB Nil (2013: RMB6,000,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB Nil (2013: RMB54,000,000).

Bank loan amounting to RMB50,000,000 (2013: RMB20,019,000) with an interest rate of 7% (2013: 7%) per annum, are repayable in 2015, secured by land use rights and investment property of the Group, as well as guaranteed by one director of the Group.

Bank loans raised in 1Q2014 amounting to RMB85,000,000 bears an interest rate of 7% per annum, are repayable in 2015, secured by land use rights of the Group, as well as guaranteed by one director of the Group.

Bank loans raised in 2Q2014 with an aggregate amount of RMB30,000,000 bears an interest rate of 8.40% per annum, are repayable in 2015, secured by investment property of the Group.

Loans raised together with a contractor for a total of RMB210,533,000 (2013: RMB191,694,000) with an interest rates ranging from prime rate to 140% on prime rate, 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. RMB183,697,000 (2013: RMB135,967,000) has been advanced to the Group and approximately RMB55,814,000 (2013: RMB44,977,000) has been used to pay interest. The loans are repayable on demand.

Other loans(secured)

- (b) Other loans amounting to RMB70,000,000 (2013: RMB140,000,000) with an effective interest rate of approximately 17.38% (2013: 17.38%) per annum, repayable in 2015 and secured by certain land use rights of the Group. The current portion of these loans amounted to RMB70,000,000 (2013: 70,000,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB Nil (2013: RMB70,000,000).

Another loan amounting to RMB84,000,000 (2013: RMB120,000,000) with an effective interest rate of approximately 15.80% (2013: 15.80%) per annum, repayable from 2015 to 2016, secured by land use rights of the Group and guaranteed by a director of the Group. The current portion of these loans amounted to RMB24,000,000 (2013: RMB36,000,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB60,000,000 (2013: RMB84,000,000).



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

Another new loan raised in 3Q2014 amounting to RMB82,000,000 with an effective interest rate of approximately 14.54% per annum, repayable from 2015 to 2016, secured by property held for sales of the Group. The current portion of these loans amounted to RMB24,600,000 are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB57,400,000.

Another new loan raised in 3Q2014 amounting to RMB142,918,000 (USD23,050,000) with an effective interest rate of approximately 5.23% per annum, repayable in 2015, secured by restricted cash and cash equivalents of RMB157,500,000.

Another new loan raised in 3Q2014 and 4Q2014 amounting to RMB548,589,000 with an effective interest rate of approximately 12.70% per annum, repayable from 2015 to 2016, secured by land use rights and property under development of the Group. The current portion of these loans amounted to RMB164,589,000 are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB384,000,000.

Another new loan raised in 3Q2014 amounting to RMB310,017,000 (USD50,000,000) with an effective interest rate of approximately 15% per annum, repayable in 2017, secured by a director of the Group and his shares in the Company (details please refer to our corporate announcement dated 8 April 2014).

Other loans(unsecured)

- (c) Another loan amounting to RMB18,279,000 (2013: RMB18,279,000) with an effective interest rate of 18% (2013: 18%) per annum, are repayable in 2015 and unsecured.

Another new loan raised in 4Q2014 amounting to RMB10,000,000 with an effective interest rate of 24% per annum, are repayable upon demand and unsecured.



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

	Actual CFS			
	4Q2014	4Q2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	579,122	197,314	503,514	166,629
Adjustments for:				
Depreciation and amortisation	1,055	960	3,407	3,839
Interest expense	46,713	40,989	122,607	98,395
Interest income	(9,183)	(4,566)	(11,769)	(9,270)
Change of fair value of investment properties	(675,674)	(147,332)	(675,674)	(147,332)
Unrealised exchange loss	21,288	-	21,288	-
Investment income	-	(37,897)	-	(37,897)
Gain on disposal of subsidiary	-	(2,542)	-	(2,542)
Share of a joint controlled operation profit (loss)	13,764	(6,056)	10,105	(25,962)
Operating (loss) profit before working capital changes	(22,915)	40,870	(26,522)	45,860
Trade and other receivables	43,062	(1,725)	(106,348)	(75,883)
Development properties	(165,572)	(305,733)	(384,783)	(388,377)
Property held for sales	(43,523)	97,040	(7,591)	139,102
Amount due from customers for contract work	(803)	(2,502)	10,405	6,452
Inventories	49	229	2	(3)
Trade and other payables	309,601	(7,342)	342,381	39,230
Amounts due to related parties	36,793	87,118	34,169	87,666
Net cash from (used in) operations	156,692	(92,045)	(138,287)	(145,953)
Interest paid	(165,406)	(47,003)	(253,393)	(110,605)
Interest received	9,147	4,566	11,733	9,004
Income taxes paid	(3,019)	(5,308)	(39,641)	(17,091)
Net cash used in operating activities	(2,586)	(139,790)	(419,588)	(264,645)
Cash flows from investing activities				
Profit distribution from a jointly controlled operation	-	-	-	45,692
Repayment of interest from a jointly controlled operation	-	-	-	2,998
Acquisition of a subsidiary	-	(2,871)	-	(2,871)
Payment for purchase of defaulted loans from a bank	(38,607)	(21,550)	(38,607)	(21,550)
Payment for prepaid leases	-	(2,625)	-	(2,625)
Proceeds from disposal of a subsidiary	-	989	-	989
Addition in investment property	-	(79,153)	(32,894)	(79,153)
Purchases of properties, plant and equipment	(648)	(569)	(1,537)	(1,261)
Interest received	36	-	36	266
Net cash used in investing activities	(39,219)	(105,779)	(73,002)	(57,515)
Cash flows from financing activities				
Amounts due from related parties	(236,921)	(5,183)	(233,857)	(4,843)
Fixed deposit	(166,511)	(9,135)	(56,607)	7,907
Proceeds from minority interest contribution	-	-	-	640
Proceeds from bank and other loans	125,151	116,277	1,292,000	543,063
Repayment of bank and other loans	(82,872)	-	(484,719)	(267,819)
Net cash (used in) from financing activities	(361,153)	101,959	516,817	278,948
Net (decrease) increase in cash and cash equivalents	(402,958)	(143,610)	24,227	(43,212)
Cash and cash equivalents at the beginning of the periods	502,022	219,725	76,168	119,817
Effects of exchange rate changes on the balance of cash held in foreign currency	649	53	(682)	(437)
Cash and cash equivalents at the end of the periods	99,713	76,168	99,713	76,168



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

	Proforma CFS			
	4Q2014	4Q2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	580,674	201,444	507,104	173,839
Adjustments for:				
Depreciation and amortisation	998	903	3,181	3,589
Interest expense	46,713	40,989	122,607	98,395
Interest income	(9,183)	(4,566)	(11,769)	(9,270)
Change of fair value of investment properties	(675,674)	(147,332)	(675,674)	(147,332)
Unrealised exchange loss	21,288	-	21,288	-
Investment income	-	(37,897)	-	(37,897)
Gain on disposal of subsidiary	-	(2,542)	-	(2,542)
Share of a joint controlled operation profit	13,765	(6,310)	10,000	(26,899)
Operating (loss) profit before working capital changes	(21,419)	44,689	(23,263)	51,883
Trade and other receivables	43,062	(1,765)	(106,348)	(75,923)
Development properties	(166,104)	(346,062)	(386,522)	(393,381)
Property held for sales	(44,487)	133,590	(9,111)	138,123
Amount due from customers for contract work	(803)	(2,502)	10,405	6,452
Inventories	49	229	2	(3)
Trade and other payables	309,601	(7,342)	342,381	39,230
Amounts due to related parties	36,793	87,118	34,169	87,666
Net cash from (used in) operations	156,692	(92,045)	(138,287)	(145,953)
Interest paid	(165,406)	(47,003)	(253,393)	(110,605)
Interest received	9,147	4,566	11,733	9,004
Income taxes paid	(3,019)	(5,308)	(39,641)	(17,091)
Net cash used in operating activities	(2,586)	(139,790)	(419,588)	(264,645)
Cash flows from investing activities				
Profit distribution from a jointly controlled operation	-	-	-	45,692
Repayment of interest from a jointly controlled operation	-	-	-	2,998
Acquisition of a subsidiary	-	(2,871)	-	(2,871)
Prepayment for purchase of defaulted loans from a bank	(38,607)	(21,550)	(38,607)	(21,550)
Payment for prepaid leases	-	(2,625)	-	(2,625)
Proceeds from disposal of a subsidiary	-	989	-	989
Addition in investment property	-	(79,153)	(32,894)	(79,153)
Purchases of properties, plant and equipment	(648)	(569)	(1,537)	(1,261)
Interest received	36	-	36	266
Net cash used in investing activities	(39,219)	(105,779)	(73,002)	(57,515)
Cash flows from financing activities				
Amounts due from related parties	(236,921)	(5,183)	(233,857)	(4,843)
Fixed deposit	(166,511)	(9,135)	(56,607)	7,907
Proceeds from minority interest contribution	-	-	-	640
Proceeds from bank and other loans	125,151	116,277	1,292,000	543,063
Repayment of bank and other loans	(82,872)	-	(484,719)	(267,819)
Net cash (used in) from financing activities	(361,153)	101,959	516,817	278,948
Net (decrease) increase in cash and cash equivalents	(402,958)	(143,610)	24,227	(43,212)
Cash and cash equivalents at the beginning of the periods	502,022	219,725	76,168	119,817
Effects of exchange rate changes on the balance of cash held in foreign currency	649	53	(682)	(437)
Cash and cash equivalents at the end of the periods	99,713	76,168	99,713	76,168

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.



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

	Group - Actual CFS								
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2013	909,831	197,361	2,901	23,887	396	-	1,134,376	4,055	1,138,431
Total comprehensive loss for the period	-	(13,404)	(232)	-	-	-	(13,636)	(123)	(13,759)
Balance as at 31 March 2013	909,831	183,957	2,669	23,887	396	-	1,120,740	3,932	1,124,672
Total comprehensive loss for the period	-	(16,407)	(323)	-	-	-	(16,730)	(343)	(17,073)
Balance as at 30 June 2013	909,831	167,550	2,346	23,887	396	-	1,104,010	3,589	1,107,599
Total comprehensive (loss) profit for the period	-	(11,204)	14	-	-	-	(11,190)	(392)	(11,582)
Non-controlling interest arising from incorporation of subsidiary	-	-	-	-	-	-	-	640	640
Balance as at 30 September 2013	909,831	156,346	2,360	23,887	396	-	1,092,820	3,837	1,096,657
Total comprehensive (loss) profit for the period	-	128,933	(539)	-	-	17,788	146,182	22,632	168,814
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	(950)	(950)
Balance as at 31 December 2013	909,831	285,279	1,821	23,887	396	17,788	1,239,002	25,519	1,264,521
Balance as at 1 January 2014	909,831	285,279	1,821	23,887	396	17,788	1,239,002	25,519	1,264,521
Total comprehensive (loss) profit for the period	-	(5,812)	1,752	-	-	-	(4,060)	(3,996)	(8,056)
Balance as at 31 March 2014	909,831	279,467	3,573	23,887	396	17,788	1,234,942	21,523	1,256,465
Total comprehensive (loss) profit for the period	-	(30,792)	862	-	-	-	(29,930)	(1,984)	(31,914)
Balance as at 30 June 2014	909,831	248,675	4,435	23,887	396	17,788	1,205,012	19,539	1,224,551
Total comprehensive (loss) profit for the period	-	(33,297)	1,819	-	-	-	(31,478)	(2,821)	(34,299)
Balance as at 30 September 2014	909,831	215,378	6,254	23,887	396	17,788	1,173,534	16,718	1,190,252
Total comprehensive (loss) profit for the period	-	184,787	11,000	-	-	-	195,787	215,669	411,456
Balance as at 31 December 2014	909,831	400,165	17,254	23,887	396	17,788	1,369,321	232,387	1,601,708



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

	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 2013	909,831	113,346	2,901	(148,414)	31,442	396	-	909,502	4,055	913,557
Total comprehensive loss for the period	-	(12,122)	(232)	-	-	-	-	(12,354)	(123)	(12,477)
Balance as at 31 March 2013	909,831	101,224	2,669	(148,414)	31,442	396	-	897,148	3,932	901,080
Total comprehensive loss for the period	-	(15,895)	(323)	-	-	-	-	(16,218)	(343)	(16,561)
Balance as at 30 June 2013	909,831	85,329	2,346	(148,414)	31,442	396	-	880,930	3,589	884,519
Total comprehensive (loss) profit for the period	-	(10,517)	14	-	-	-	-	(10,503)	(392)	(10,895)
Non-controlling interest arising from incorporation of subsidiary	-	-	-	-	-	-	-	-	640	640
Balance as at 30 September 2013	909,831	74,812	2,360	(148,414)	31,442	396	-	870,427	3,837	874,264
Total comprehensive (loss) profit for the period	-	132,093	(539)	-	-	-	21,707	153,261	22,632	175,893
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	(950)	(950)
Balance as at 31 December 2013	909,831	206,905	1,821	(148,414)	31,442	396	21,707	1,023,688	25,519	1,049,207
Balance as at 1 January 2014	909,831	206,905	1,821	(148,414)	31,442	396	21,707	1,023,688	25,519	1,049,207
Total comprehensive (loss) profit for the period	-	(4,935)	1,752	-	-	-	-	(3,183)	(3,996)	(7,179)
Balance as at 31 March 2014	909,831	201,970	3,573	(148,414)	31,442	396	21,707	1,020,505	21,523	1,042,028
Total comprehensive (loss) profit for the period	-	(30,671)	862	-	-	-	-	(29,809)	(1,984)	(31,793)
Balance as at 30 June 2014	909,831	171,299	4,435	(148,414)	31,442	396	21,707	990,696	19,539	1,010,235
Total comprehensive (loss) profit for the period	-	(32,740)	1,819	-	-	-	-	(30,921)	(2,821)	(33,742)
Balance as at 30 September 2014	909,831	138,559	6,254	(148,414)	31,442	396	21,707	959,775	16,718	976,493
Total comprehensive (loss) profit for the period	-	185,950	11,000	-	-	-	-	196,950	215,669	412,619
Balance as at 31 December 2014	909,831	324,509	17,254	(148,414)	31,442	396	21,707	1,156,725	232,387	1,389,112



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

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
Balance as at 1 January 2013	909,831	(292,962)	28,609	645,478
Total comprehensive loss for the period	-	(598)	(12,558)	(13,156)
Balance as at 31 March 2013	909,831	(293,560)	16,051	632,322
Total comprehensive loss for the period	-	(1,149)	(17,760)	(18,909)
Balance as at 30 June 2013	909,831	(294,709)	(1,709)	613,413
Total comprehensive loss profit for the period	-	(1,535)	1,194	(341)
Balance as at 30 September 2013	909,831	(296,244)	(515)	613,072
Total comprehensive loss profit for the period	-	51,036	(11,914)	39,122
Balance as at 31 December 2013	909,831	(245,208)	(12,429)	652,194
Balance as at 1 January 2014	909,831	(245,208)	(12,429)	652,194
Total comprehensive loss profit for the period	-	(1,419)	21,186	19,767
Balance as at 31 March 2014	909,831	(246,627)	8,757	671,961
Total comprehensive loss profit for the period	-	(1,560)	9	(1,551)
Balance as at 30 June 2014	909,831	(248,187)	8,766	670,410
Total comprehensive loss for the period	-	(1,438)	(14,824)	(16,262)
Balance as at 30 September 2014	909,831	(249,625)	(6,058)	654,148
Total comprehensive loss for the period	-	(3,201)	(18,297)	(21,498)
Balance as at 31 December 2014	909,831	(252,826)	(24,355)	632,650



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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 2013 and 31 December 2014
Number of ordinary shares and share capital of our Company as at the balance sheet dates:

	31.12.2014		31.12.2013	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	1,125,000,000	187,147	1,125,000,000	187,147

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 (continue).*

The Group has applied the same accounting policies and methods of computation in its unaudited financial statements for 4Q2014 and 2014 as those of the audited financial statements for the year ended 31 December 2013, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2014. The adoption of all new and revised FRSs has no material effect on the 4Q2014 and 2014 unaudited financial statements.



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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			
	4Q2014	4Q2013	2014	2013
Profit Per Share				
Basic (a)	16.43	11.46	10.21	7.81

RMB fens	Proforma CFS			
	4Q2014	4Q2013	2014	2013
Profit Per Share				
Basic (a)	16.53	11.74	10.45	8.32

- (a) Loss per share has been computed based on the ordinary shares capital of 1,125,000,000 shares ie: number of ordinary shares issued and paid-up, please refer to item 1(d)(iii).

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

RMB fens	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net asset value per ordinary share based on issued share capital at end of financial year*	142.37	112.40	123.48	93.26	56.24	57.97

- * Net asset value per share has been computed based on the ordinary shares capital of 1,125,000,000 ie: number of ordinary shares issued and paid-up, refer to item 1(d)(iii).



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:*
- (a) *any significant factor that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and*
- (b) *any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.*

Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial statements and our Proforma Consolidated Financial statements for 4Q2014 and 2014

	31.12.2014		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
Balance sheet items			
Property held for sales	398,945	389,390	9,555
Development properties	1,740,442	1,472,369	268,073
Property, plant and equipment	25,922	22,593	3,329
Investment in a jointly controlled operation	14,408	13,784	624
Deferred tax liabilities	337,230	268,245	68,985
Shareholders' equity	1,601,708	1,389,112	212,596

	4Q2014		Difference	2014		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive income statements items						
Cost of sales	(36,120)	(34,624)	(1,496)	(78,210)	(74,951)	(3,259)
Administrative expenses	(33,795)	(33,738)	(57)	(70,989)	(70,763)	(226)
Share of joint controlled operation loss	(13,764)	(13,765)	1	(10,105)	(10,000)	(105)
Income tax expense	(178,666)	(179,055)	389	(181,760)	(182,632)	872
Profit for the period/year	400,456	401,619	(1,163)	321,754	324,472	(2,718)

* Based on the unaudited Actual Consolidated Financial Statements.

** Based on the unaudited Proforma Consolidated Financial Statements.

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



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue) :*

Review based on unaudited Actual Consolidated Financial Statements

Income statement

Revenue

Our Group's revenue decreased by RMB152.3 million, or 54%, from RMB280.3 million in 2013 to RMB128.0 million in 2014. Most of the revenue was contributed from property development sales. The revenue from our property development sales decreased by RMB146.8 million, from RMB241.4 million in 2013 to RMB94.6 million in 2014. The decrease in revenue from the property development sales was mainly due to a lower GFA sold and recognized and a lower average selling price ("ASP") per square metre ("sqm") achieved in 2014 compared with the previous corresponding year. The GFA sold and recognised in 2013 and 2014 was 16,600 sqm and 6,700 sqm respectively, while the ASP per sqm had decreased from approximately RMB15,400 per sqm in 2013 to approximately RMB14,800 per sqm in 2014.

The decrease in revenue was also contributed by an decrease in revenue contribution from construction contracts of RMB9.1 million, which was mainly due to the decrease in revenue from construction contracts work done for Jin Long Garden, our jointly controlled construction operations, as the construction contracts has been settled in February 2014.

In addition, there was an increase in revenue contribution from property management service income and property rental income of RMB2.6 million, due to the increase in property management fees from Phases 1 to 4 of Jiangnan Minju, one of residence communities that we provided property management service, as well as the increase in rental contribution from our investment properties. The property management fees were charged on a monthly basis at a fixed rate per sqm multiplied by the gross floor of the property, and the fixed rate of Phases 1 to 4 of Jiangnan Minju increased since April 2013.

For the quarter, the Group's revenue decreased by RMB162.8 million, or 84%, from RMB193.0 million in 2013 to RMB30.2 million in 2014. This was mainly caused by a decrease of revenue from property development sales attributed to lower GFA recognised in 4Q2014.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue) :*

Cost of Sales and Gross Profit

Our cost of sales decreased by RMB87.3 million, or 53%, from RMB165.6 million in 2013 to RMB78.2 million in 2014. This was mainly caused by a decrease in cost of property development sales by RMB93.2 million, which were fairly in line with the decrease of GFA sold and recognised.

Included in the 2014 cost of property development sales of our Unaudited Actual Consolidated Financial Statements, was a fair value adjustment which increased the cost of property development sales by RMB3.3 million. The fair value of adjustment to the cost of property development sales is due mainly 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 subsidiaries 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 cost of property development sales when the Group recorded sales for their sold properties during 2014.

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 the attributed fair values of these properties over the corresponding historical book values at 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 RMB217.5 million as at end of 2014, 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 RMB271.2 million **(excluding the offset against a deferred tax liability adjustment of approximately RMB67.8 million, which will result in net future fair value adjustments of approximately RMB203.4 million only).**

In terms of gross profit margin, our overall gross profit margin decreased from 41% in 2013 to 39% in 2014, as a result of an decrease in gross profit margin from property development sales due to a lower ASP per sqm derived from Phase 1 and 1 (ii) villas of Shanshui Longpan (山水龙盘), the ASP per sqm was approximately RMB 15,100 per sqm and RMB 15,600 per sqm for 2014 and 2013 respectively.

Cost of sales decreased by RMB83.7 million or 70% from RMB119.8 million 4Q2013 to RMB36.1 million 4Q2014. This was mainly caused by a decrease in cost of property development sales by RMB89.9 million, which were fairly in line with the decrease in GFA sold and recognised.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue):*

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 43% in 2013 and 41% in 2014 respectively. 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 and other income, comprised mainly miscellaneous surcharge income from property management services.

Other income increased by RMB1.0 million or 9% in 2014 as compared with the prior respective periods, which was mainly caused by an increase of RMB2.5 million of interest income from restricted cash and cash equivalents.

Selling and Distribution Expenses

Selling expenses primarily comprise staff cost, advertising and promotion expenses, sales commissions, model room expenses and maintenance costs.

The selling and distribution expenses increased by RMB12.5 million or 68% in 2014 as compared with the respective periods of last year. The higher selling and distribution expenses in 2014 were due mainly 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.

Our administrative expenses increased by RMB14.3 million (approximately 25%), from RMB56.7 million in 2013 to RMB71.0 million in 2014, and for the quarter, administrative expenses increased by RMB9.5 million or 39% from RMB24.2 million in 4Q2013 to RMB33.8 million in 4Q2014, which was mainly attributable to an increase of staff salaries and staff related expenses to meet staffing needs arising from our projects of Sihui City Mall and Tianjin Boulevard.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue):*

Finance Costs

Finance cost, net of capitalised interest, recorded an increase of RMB24.2 million in 2014 and RMB5.7 million in 4Q2014 over the respective periods in 2013. The substantial increase in finance costs in 2014 was mainly due to an increase in average loan balance from RMB1,218.4 million in 2013 to RMB1,763.0 million in 2014 (refer to Paragraph 1(b)ii). Since the new loans raised were mainly working capital loans with higher effective interest rate, the respective interest incurred were expensed-off to the income statement directly.

Share of a Jointly Controlled Operation Profits

The share of jointly controlled operation results relates to the 55% stake contribution from Jin Long Garden. Jin Long Garden is an integrated residential and commercial estate project jointly developed with an unrelated third party, Foshan Jing Fang. Foshan Jing Fang holds the remaining 45% stake of the project.

The Group's share of the aforementioned jointly controlled operations results incurred a loss of RMB10.1 million in 2014, compared with a profit of RMB26.0 million in 2013 (resulting in a decrease of RMB36.1 million in profit). For the quarter, there was a decrease of profit by RMB19.8 million. The loss was caused by the additional payment of RMB58 million to local competent authority due to the difference between buildable area and approved area.

With the exclusion of the Notional Adjustment on the Jin Long Garden project cost of development, 2014 and 4Q2014 Proforma CFS Share of jointly controlled operation profit was decreased by RMB36.9 million and RMB20.1 million respectively which are fairly in line with the Actual CFS variance.

Change in fair value of investment property

Change in fair value of investment property recorded an increase of RMB528.3 million in 2014 over the respective periods in 2013. The substantial increase in 2014 was mainly due to part of development properties of Sihui City Mall which is used for rental has been transferred to investment properties in 2014, which achieved RMB660.6 million increase in fair value.

Amortisation

Amortisation relates to the amortisation of prepaid land use rights for our corporate office since 4Q2009 and the completed Shanshui Longpan Hotel building. The amortisation is based on 40 years rights of use of the land. As Shanshui Longpan Hotel building will be rented out and has been transferred to our investment property as of 31 December 2013, the corresponding amortisation of land use right of Shanshui Longpan Hotel building stopped since then.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue) :*

Depreciation

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

Depreciation decreased by RMB0.6 million in 2014, which is almost equivalent as to last year.

Income Tax Expenses

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”). Income tax increased by RMB124.8 million and RMB132.9 million in 2014 and 4Q2014 respectively as compared with the corresponding periods in 2013. The higher income tax expenses in 2014 and 4Q2014 were mainly due to increase of provision of statutory enterprise income tax and land appreciation tax, in line with the increase of the profit before income tax.

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 Profit

With the above, the Group recorded a net profit of RMB321.8 million in 2014 and RMB109.7 million in 2013 respectively. The Proforma Consolidated Financial Statements, which excludes the notional adjustment, effects with a better comparability of the Group's performance, has presented a net profit of RMB324.5 million in 2014 and RMB125.0 million in 2013 respectively.

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 work. Our current assets as at the end of 2013 and 2014 amounted to approximately RMB2,545.4 million and RMB3,191.1 million respectively.

The largest component of our current assets was development properties, which amounted to approximately RMB1,611.9 million and RMB1,740.4 million as at the end of 2013 and 2014 respectively. Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 63% and 55% of our current assets as at the end of 2013 and 2014 respectively. The RMB128.5 million or 8% increase in development properties was mainly due to the increase of development costs for the Sihui City Mall project and the high rise phase of Shanshui Longpan project which have been launched for pre-sale in January 2014.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue) :*

Current Assets

Properties held for sales amounted to RMB 391.4 million and RMB 398.9 million as at the end of 2013 and 2014 respectively, which include properties of Jiangnan Mingju Phases 5 and 6, and Phase 1, Phase 1 (ii) Villas of Shanshui Longpan and part of Sihui City Mall. The RMB7.6 million or 2% increase in properties held for sales was due to the additional properties held for sales of Sihui City Mall project in 2014.

The Group's cash and bank balances as at 31 December 2014 increased by RMB23.5 million or 31% to RMB99.7 million as compared with 31 December 2013, which was primarily attributable to the net cash from financing activities of RMB516.9 million, and partially offset by the net cash used in investing activities of RMB73.0 million and operating activities of RMB419.6 million respectively

In addition, restricted cash stood at RMB324.8 million and RMB268.2 million as at end of 2014 and 2013 respectively. The increase was the pledged cash along with the increase of bank loans.

Trade and other receivables increase from RMB179.7 million to RMB385.8 million at the end of 2013 and 2014 respectively. The increases of RMB206.1 million in trade and other receivables were mainly due to (i) payment of RMB77 million for purchase of defaulted loans from a bank; (ii) prepayment of RMB29.1 million of finance cost for the new other loan raised; (iii) other receivables of RMB45 million from one of the jointly controlled venture's shareholders; (iv) deposit of RMB32 million to a lender of other loan.

Amount due from customers for contract works stood at RMB11.8 million and RMB1.4 million as at end of 2013 and 2014 respectively. These amounts pertain to construction contracts that have yet to be billed to our construction contract customers. The decrease of the RMB10.4 million or 88% in amounts due from customers for contract works was mainly due to the efforts to speed up the process of billing and collection.

Amount due from related parties mainly comprised of amounts receivable from a PRC jointly controlled venture, who invests funds to develop two plots of land at Sanshui District, Foshan City.

Non-current assets

Non-current assets comprised mainly investment properties, investment in jointly controlled operation and property, plant and equipment. As at the end of 2013 and 2014, our non-current assets had an aggregate net book value of approximately RMB1,039.9 million and RMB2,083.1 million respectively.



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue) :*

Non-current assets

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, and plant, equipment and land use rights in Danzao and Shishan, Shanshui Longpan Hotel buildings, Tianjin Boulevard buildings and Sihui City Mall. The carrying amount of our investment properties was approximately RMB957.0 million and RMB2,001.7 million as at the end of 2013 and 2014, which accounted for approximately 92% and 96% of our non-current assets as at the end of 2013 and 2014 respectively. The increase of RMB1,044.7 million in the investment properties included (i) the fair value change of RMB675.7 million base on the valuation done by independent professional valuer; (ii) RMB325.4 million development properties of Sihui City Mall which is used for rental has been transferred to investment properties; (iii) RMB26.2 million for the redevelopment expenditure of Tianjin Boulevard project; (iv) RMB10.3 million for the addition land cost for Danzhao Project and RMB5.8 million of tax expenses and service charges for acquisition of certificates of ownership of plant and land use rights in Shishan.

The investment in jointly controlled operation comprises the investment in Jin Long Garden, of which 55% of the profits will be attributable to the Group. The decrease of RMB10.1 million in the investment in joint controlled operation was mainly due to the Group's share of RMB10.1 million loss of the current reporting period from the investment in jointly controlled operation.

The prepaid land use right, and property, plant and equipment decreased by RMB1.8 million was mainly due to amortisation/depreciation charge of RMB3.4 million for 2014, which was partially offset by purchase of office equipments and vehicle.

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 RMB430.2 million and RMB768.3 million at the end of 2013 and 2014 respectively. The increase of RMB338.1 million in trade and other payables was mainly due to (a) an increase of RMB140 million in account payables to contractors by property development and construction subsidiaries in line with the progress of the projects, such as Shanshui Longpan and Sihui City Mall; (b) addition of RMB115 million from customers for pre-sales of properties that did not meet sales recognition criteria.

Amount due to related parties mainly comprised of amounts payable to a minority shareholder of a PRC subsidiary, who invests funds to develop Sihui project.

Bank and Other Loans

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



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8. *A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (continue):*

Shareholders' equity

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to the 45% shareholding held by the minority interest in a PRC subsidiary, Sihui Debao Jiangnan Mingju Property Development Co., Ltd, 34% 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.

At the end of 2013 and 2014, shareholders' equity amounted to RMB1,264.5 million and RMB1,601.7 million respectively. The increase in equity was mainly due to the profit incurred in the current period.

Cash flow statement

The Group has a net cash outflow from operating activities of RMB419.6 million during 2014, which comprised operating cash outflow before movements in working capital of RMB26.5 million, adjusted for net working capital used in operations of RMB111.8 million and net of finance cost and interest received as well as income tax paid of RMB241.7 million and RMB39.6 million respectively. The net working capital outflows were mainly due to the increase in development properties and trade and other receivables as explained above, and partially offset by the increase in trade and other payables (also as explained above) during the current reporting period.

The net cash outflows from investing activities of RMB73.0 million mainly pertained to the addition of investment properties and prepayment for purchase of defaulted loans from a bank of RMB38.6 million.

The Group recorded a net cash inflow from financing activities of RMB516.9 million during 2014. This was mainly due to new loans raised of RMB1,292.0 million, partially offset by repayment of RMB484.7 million banks and other loans and increase of RMB233.9 million amount due from related parties.

With the above, the Group has a net increase in cash and cash equivalents of RMB24.2 million for 2014.

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 2013 and periods ended 31 March 2014, 30 June 2014 and 30 September 2014 respectively.



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- 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

Despite tight macro control policies, we have observed that transacted property average selling prices per sqm in Foshan has been holding steadily with a slight increase of 2.84% during the current reporting period, from RMB8,250 per sqm⁽¹⁾ in 2013 to RMB8,484 per sqm⁽¹⁾ in 2014. Moreover, transaction volumes have increased from 8.0792 million⁽¹⁾ in 2013 to 8.5053 million⁽¹⁾ in 2014, an increase of approximately 5.27%.

Project Updates

As at 31 December 2014, the Group has two development projects with a gross floor area (“GFA”) of approximately 0.98 million sqm under development and approximately 0.30 million sqm of land held for future development. These are expected to be separately completed in various phases up to 2017, 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 been launched for pre-sales as at 31 December 2014. Starting from October 2011, the Group has handed over those completed units of Phase 1 villas to the buyers in batches. We have also commenced the handover of the Phase 1(ii) villas in batches since October 2012.

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 81,600 sqm have been launched for pre-sales (in stages) as at 31 December 2014 and some of those completed units have been handed over to the buyers since early July 2012.

Shanshui Longpan, Phase 3 high rise

Phase 3 high rise of Shanshui Longpan, the construction works of which started since March 2013, have a GFA of approximately 710,000 (*revised*) sqm, of which approximately 80,000 sqm have been launched for pre-sales and approximately 34,800 sqm have contracted intention to purchase as at 31 December 2014.



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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 have a GFA of approximately 155,100 (*revised*) sqm, of which approximately 130,500 sqm have been launched for pre-sales and approximately 15,600 sqm have contracted intention to purchase as at 31 December 2014.

The accumulated sales/pre-sales⁽²⁾ status of our projects as at 31 December 2014 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	716,078	51,424	13,925	99%-100%
Shanshui Longpan Phase 1(ii) Villas	216,608	12,927	16,756	100%
Jin Long Garden – South Zone	763,429	74,490	10,249	100%
Jiangnan Minju Phases 5 and 6	987,565	145,118	6,805	100%
Shanshui Longpan Phase 3 High Rises	295,373	58,193	5,076	10%
Sihui City Mall	191,505	14,748	12,985	85%
Total	3,170,558	356,900	8,884	NA

The sales/pre-sales⁽²⁾ of our projects for 2014 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	34,081	2,263	15,060	99%-100%
Shanshui Longpan Phase 1(ii) Villas	43,101	2,267	19,012	100%
Jin Long Garden – South Zone	19,463	1,993	9,766	100%
Jiangnan Minju Phases 5 and 6	3,908	633	6,174	100%
Shanshui Longpan Phase 3 High Rises	150,154	29,599	5,073	10%
Sihui City Mall	129,660	12,173	10,651	85%
Total	380,367	48,928	7,774	NA



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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⁽²⁾ of our projects for 4Q2014 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	10,284	491	20,945	99%-100%
Shanshui Longpan Phase 1(ii) Villas	13,111	551	23,795	100%
Jin Long Garden – South Zone	2,429	208	11,678	100%
Jiangnan Minju Phases 5 and 6	1,440	296	4,865	100%
Shanshui Longpan Phase 3 High Rises	4,936	1,005	4,911	10%
Sihui City Mall	67,815	9,598	7,066	85%
Total	100,015	12,149	8,232	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 in 2014 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 2014 when handed over.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic of the Group's performance in 2015, based on the continual sales activities of Shanshui Longpan, Jin Long Garden South Zone (Phase 2), Jiangnan Mingju Phases 5 and 6 and Sihui City Mall.

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

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

11. Dividend

(a) Current Financial Period Reported on

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

The following Ordinary dividends have been approved at the Annual General Meeting on 29 April 2014:

Name of Dividend	Tax-Exempt (One-tier) Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount (in SGD-Cents)	0.23 SGD-Cent per Ordinary Share

(c) Date payable

Not applicable.



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11. *Dividend (continued)*

(d) *Books closure date*

Not applicable.

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

Not applicable.

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) 2014	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 2014
Zhong Yu Xin ⁽¹⁾	S\$ 761,097 ⁽²⁾	-

Notes:

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

(2) *Lease of Debao Hotel.*



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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	Others	Total
<u>2014</u>						
Revenue	94,564	2,814	18,395	12,226	-	127,999
RESULT						
Segment result	(146,209)	(8,336)	663,235	3,644	(8,820)	503,514
Profit before tax						503,514
Income tax						(181,760)
Profit after tax						321,754

Group	Property development	Construction contract	Property investment	Property management	Others	Total
<u>2013</u>						
Revenue	241,332	12,030	17,004	9,636	381	280,383
RESULT						
Segment result	79,634	(4,783)	104,502	2,630	(15,354)	166,629
Profit before tax						166,629
Income tax						(56,937)
Profit after tax						109,692

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		
	2014	2013	Increase/ (Decrease)	2014	2013	Increase/ (Decrease)
	RMB'000	RMB'000		RMB'000	RMB'000	
(a) Sales reported for first half year	67,086	54,796	22%	67,086	54,796	22%
(b) Operating loss after tax reported for first half year	(42,584)	(30,277)	41%	(41,586)	(28,523)	46%
(c) Sales reported for second half year	60,913	225,587	(73%)	60,913	225,587	(73%)
(d) Operating profit after tax reported for second half year	364,338	139,969	160%	366,058	143,856	154%



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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

	2014	2013
Ordinary Shares	Nil	2,587,500

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	52	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	46	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	60	Brother of our Non-Executive Director, Ms Zheng Lihua	Property administrator 2014	Warehouse administrator,
Fang Zai Ming	53	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

27 February 2015



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



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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 2014 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

27 February 2015