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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER (“4Q2019”) & YEAR ENDED 31 DECEMBER 2019 (FY2019”)**

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

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

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

**ACTUAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Actual CFS (As defined herein)					
	4Q2019	(Restated) 4Q2018	% Change	FY2019	(Restated) FY2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	16,791	34,900	(52%)	123,920	172,018	(28%)
Cost of sales	(8,605)	(27,756)	(69%)	(52,234)	(84,194)	(38%)
<b>Gross profit</b>	<b>8,186</b>	<b>7,144</b>	<b>15%</b>	<b>71,686</b>	<b>87,824</b>	<b>(18%)</b>
Other expenses	(13,652)	(57,394)	(76%)	(21,365)	(227,497)	(91%)
Selling and distribution expenses	(4,188)	(1,677)	150%	(7,955)	(6,368)	25%
Administrative expenses	(4,790)	(19,952)	(76%)	(45,452)	(52,499)	(13%)
Finance costs	(111,576)	(36,978)	202%	(209,866)	(176,180)	19%
<b>Loss before income tax</b>	<b>(126,020)</b>	<b>(108,857)</b>	<b>16%</b>	<b>(212,952)</b>	<b>(374,720)</b>	<b>(43%)</b>
Income tax (expenses)/credit	73	(275)	NM*	14	41,163	(100%)
<b>Net loss for the period</b>	<b>(125,947)</b>	<b>(109,132)</b>	<b>15%</b>	<b>(212,938)</b>	<b>(333,557)</b>	<b>(36%)</b>
<b>Other comprehensive (loss) / income</b>						
Currency translation difference	7,809	988	690%	(5,186)	(25,722)	(80%)
<b>Total Comprehensive loss for the period</b>	<b>(118,138)</b>	<b>(108,144)</b>	<b>9%</b>	<b>(218,124)</b>	<b>(359,279)</b>	<b>(39%)</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(123,257)	(106,584)	16%	(205,941)	(321,785)	(36%)
Non-controlling interest	(2,690)	(2,548)	6%	(6,997)	(11,772)	(41%)
	<b>(125,947)</b>	<b>(109,132)</b>	<b>15%</b>	<b>(212,938)</b>	<b>(333,557)</b>	<b>(36%)</b>
<b>Total comprehensive (loss) / profit attributable to:</b>						
Equity holders of the Company	(115,448)	(105,596)	9%	(211,127)	(347,507)	(39%)
Non-controlling interest	(2,690)	(2,548)	6%	(6,997)	(11,772)	(41%)
	<b>(118,138)</b>	<b>(108,144)</b>	<b>9%</b>	<b>(218,124)</b>	<b>(359,279)</b>	<b>(39%)</b>



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

## PROFORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Proforma CFS (As defined herein)					
	4Q2019	(Restated) 4Q2018	% Change	FY2019	(Restated) FY2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	16,791	34,900	(52%)	123,920	172,018	(28%)
<b>Cost of sales</b>	(8,605)	(27,756)	(69%)	(52,234)	(84,194)	(38%)
<b>Gross profit</b>	<b>8,186</b>	<b>7,144</b>	<b>15%</b>	<b>71,686</b>	<b>87,824</b>	<b>(18%)</b>
Other expenses	(13,652)	(57,394)	(76%)	(21,365)	(227,497)	(91%)
Selling and distribution expenses	(4,188)	(1,677)	150%	(7,955)	(6,368)	25%
Administrative and other expenses	(4,790)	(19,952)	(76%)	(45,452)	(52,499)	(13%)
Finance costs	(111,576)	(36,978)	202%	(209,866)	(176,180)	19%
<b>Loss before income tax</b>	<b>(126,202)</b>	<b>(108,857)</b>	<b>16%</b>	<b>(212,952)</b>	<b>(374,720)</b>	<b>(43%)</b>
Income tax expenses	73	(275)	NM*	14	41,163	(100%)
<b>Net loss for the period</b>	<b>(125,947)</b>	<b>(109,132)</b>	<b>15%</b>	<b>(212,938)</b>	<b>(333,557)</b>	<b>(36%)</b>
<b>Other comprehensive (loss)/income</b>						
Currency translation difference	7,809	988	690%	(5,186)	(25,722)	(80%)
<b>Total Comprehensive loss for the period</b>	<b>(118,138)</b>	<b>(108,144)</b>	<b>9%</b>	<b>(218,124)</b>	<b>(359,279)</b>	<b>(39%)</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(123,257)	(106,584)	16%	(205,941)	(321,785)	(36%)
Non-controlling interest	(2,690)	(2,548)	6%	(6,997)	(11,772)	(41%)
	<b>(125,947)</b>	<b>(109,132)</b>	<b>15%</b>	<b>(212,938)</b>	<b>(333,557)</b>	<b>(36%)</b>
<b>Total comprehensive (loss)/profit attributable to:</b>						
Equity holders of the Company	(115,448)	(105,596)	9%	(211,127)	(347,507)	(39%)
Non-controlling interest	(2,690)	(2,548)	6%	(6,997)	(11,772)	(41%)
	<b>(118,138)</b>	<b>(108,144)</b>	<b>9%</b>	<b>(218,124)</b>	<b>(359,279)</b>	<b>(39%)</b>

#\_ 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 and the comparatives for FY2017 and thus, the opening balance of FY2018 has been restated.

NM = Not meaningful



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

Explanatory Notes:

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

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

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

As a result, our gross profits and earnings for the fourth quarter and year ended 31 December 2018 (“4Q2018 and FY2018”) and for the fourth quarter and year ended 31 December 2019 (“4Q2019 and FY2019”), as well as future financial periods/years based on the Actual Consolidated Financial Statements (as defined in the Prospectus) may 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 the Prospectus for more details.

Accordingly, besides the unaudited consolidated financial statements for 4Q2018, FY2018, 4Q2019 and FY2019 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 4Q2018, FY2018, 4Q2019 and FY2019 (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					
	4Q2019	(Restated) 4Q2018	% Change	FY2019	(Restated) FY2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	1,359	530	156%	2,069	2,905	(29%)
Interest expense	111,576	36,978	202%	209,866	176,180	19%
Interest income	(744)	(1,832)	(59%)	(2,005)	(2,606)	(23%)
Impairment for non-current assets held-for-sale	-	58,177	NM*	-	54,852	NM*
Exchange (gain)/loss	(7,809)	(988)	690%	5,186	25,722	(80%)

	Proforma Consolidated Statement of Comprehensive Income					
	4Q2019	(Restated) 4Q2018	% Change	FY2019	(Restated) FY2018	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	1,359	530	156%	2,069	2,905	(29%)
Interest expense	111,576	36,978	202%	209,866	176,180	19%
Interest income	(744)	(1,832)	(59%)	(2,005)	(2,606)	23%
Impairment for non-current assets held-for-sale	-	58,177	NM*	-	54,852	NM*
Exchange (gain)/loss	(7,809)	(988)	690%	5,186	25,722	(80%)

NM = Not meaningful



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

## STATEMENTS OF FINANCIAL POSITION

	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2019 RMB'000	(Restated) 31.12.2018 RMB'000	31.12.2019 RMB'000	(Restated) 31.12.2018 RMB'000	31.12.2019 RMB'000	(Restated) 31.12.2018 RMB'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and bank equivalents	15,897	17,525	15,897	17,525	30	35
Restricted cash and cash equivalents	20,000	202,076	20,000	202,076	-	-
Trade and other receivables	584,363	644,518	584,363	644,518	952,172	1,305,667
Contract assets	5,424	10,973	5,424	10,973	-	-
Prepaid leases	9,469	223	9,469	223	-	-
Inventories	503	257	503	257	-	-
Property held for sale	41,343	35,314	32,649	26,620	-	-
Development properties	1,037,408	970,855	781,659	715,106	-	-
Disposal group assets classified as held-for-sale	176,616	93,066	176,616	93,066	-	-
<b>Total current assets</b>	<b>1,891,023</b>	<b>1,974,807</b>	<b>1,626,580</b>	<b>1,710,364</b>	<b>952,202</b>	<b>1,305,702</b>
<b>Non-current Assets</b>						
Prepaid leases	2,956	3,918	2,956	3,918	-	-
Property, plant and equipment	23,665	25,871	21,014	23,220	-	-
Investment properties	2,123,413	2,115,051	2,123,413	2,115,051	-	-
Investment in an associate	45	40	45	40	-	-
Trade and other receivables	10,000	10,000	10,000	10,000	-	-
Financial asset, FVOCI	-	1,300	-	1,300	*	*
Deferred tax assets	19,017	19,017	19,017	19,017	-	-
<b>Total non-current assets</b>	<b>2,179,096</b>	<b>2,175,197</b>	<b>2,176,445</b>	<b>2,172,546</b>	<b>*</b>	<b>*</b>
<b>Total assets</b>	<b>4,070,119</b>	<b>4,150,004</b>	<b>3,803,025</b>	<b>3,882,910</b>	<b>952,202</b>	<b>1,305,702</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank and other loans	1,470,077	526,466	1,470,077	526,466	-	-
Trade and other payables	755,787	609,130	755,787	609,130	94,905	357,360
Lease payables	30,600	27,425	30,600	27,425	-	-
Contract liabilities	80,000	75,710	80,000	75,710	-	-
Provisions	90,515	90,515	90,515	90,515	-	86,204
Tax payables	101,360	121,447	101,360	121,447	35,265	34,323
Liabilities directly associated with disposal assets classified as held-for-sale	174,616	87,066	174,616	87,066	-	-
<b>Total current liabilities</b>	<b>2,702,955</b>	<b>1,537,759</b>	<b>2,702,955</b>	<b>1,537,759</b>	<b>130,170</b>	<b>477,887</b>
<b>Non-current liabilities</b>						
Bank and other loans	334,919	1,360,818	334,919	1,360,818	-	-
Long term payables	157,845	158,903	157,845	158,903	-	-
Deferred tax liabilities	264,709	264,709	199,140	199,140	-	-
<b>Total non-current liabilities</b>	<b>757,473</b>	<b>1,784,430</b>	<b>691,904</b>	<b>1,718,861</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>	<b>609,691</b>	<b>827,815</b>	<b>408,166</b>	<b>626,290</b>	<b>822,032</b>	<b>827,815</b>
<b>Total liabilities and Shareholders' equity</b>	<b>4,070,119</b>	<b>4,150,004</b>	<b>3,803,025</b>	<b>3,882,910</b>	<b>952,202</b>	<b>1,305,702</b>

\* Less than RMB 1,000



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

Explanatory Notes:

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

The Group has reviewed and assessed the classification of the Group's investment in joint arrangements in accordance with the requirements of FRS 111. The Group concluded that the investment in Jin Long Garden, which was classified as a jointly controlled operation under FRS 31 and was previously accounted using the equity method, should be accounted to recognise its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly) (Please refer to the Company's announcement dated on 2 April 2015 for further details).

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

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

	Group (Actual CFS)	
	31.12.2019	(Restated) 31.12.2018
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand:		
Secured	1,470,077	526,466
<b>Sub-total (1)</b>	<b>1,470,077</b>	<b>526,466</b>
Amount repayable after one year:		
Secured	334,919	1,360,818
<b>Sub-total (2)</b>	<b>334,919</b>	<b>1,360,818</b>
<b>Total debt (1)+(2)</b>	<b>1,804,996</b>	<b>1,887,284</b>



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

The following loans are still outstanding:

**(a) Bank loans**

1. Loans from a lender amounting to RMB 43,000,000 (2018: RMB 37,300,000) with an effective interest rate from 5% to 8.5% (2018: 4.75% to 8.5%) per annum, is secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2020.
2. Loans from a lender amounting to RMB 5,000,000 (2018: RMB 15,000,000) with an effective interest rate at 5.88% (2018: at 5.49%) per annum, is secured by investment properties and repayable in 2020.
3. Loans from a lender amounting to RMB 625,000 (2018: Nil) with an effective interest rate at 9.55% (2018: Nil) per annum, was unsecured and repayable in 2021.
4. Loans from a lender amounting to RMB 343,080,000 (2018: RMB 350,847,000) with an effective interest rate from 6.86% to 7.35% (2018: 6.86% to 7.35%) per annum, is 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 (2018: RMB 15,000,000) with an effective interest rate from 4.35% to 5.5% (2018: 4.0% to 5.22%) per annum, is secured by investment properties and repayable in 2020.
6. Loans from a lender amounting to RMB 2,850,000 (2018: Nil) with an effective interest rate at 9.5% (2018: Nil) per annum, is secured by commercial bills and repayable in 2020.

**(b) Other loans**

1. Loans from a lender amounting to RMB 1,046,505,000 (2018: RMB 1,031,850,000) with an effective interest rate from 11.00% to 13.00% (2018: 9.92% to 11.00%) per annum 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.
2. A loan from a lender amounting to RMB 40,339,000 (2018: RMB 39,534,000) is interest free, unsecured and repayable on demand.



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

The following loans are still outstanding:

**(b) Other loans**

3. To support the Group's operating cash flows requirements, the Group obtained loans from individuals and other non-financial institutions amounting to RMB 118,000,000. These loans bore average annual interest rate from 18% to 28.8%, are secured either by a guarantee given by a subsidiary, secured over properties held for sale, land use rights or investment properties of the Group. These loans are repayable within the next twelve months.
4. Loan from a lender amounting to RMB 190,597,000 (2018: RMB 98,437,000) with an interest rate at 12% (2018: 12%) per annum, are secured by properties held for sale, development properties, and investment properties and repayable on demand.





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

	Actual CFS			
	4Q2019	(Restated) 4Q2018	FY2019	(Restated) FY2018
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss after tax	(125,947)	(109,132)	(212,938)	(333,557)
Adjustments for:				
Income tax expenses/(credit)	(73)	275	(14)	(41,163)
Impairment for non-current assets held-for-sale	-	58,177	-	54,852
Exchange differences	7,809	130,620	(5,186)	103,911
Interest expense	111,576	36,978	209,866	176,180
Depreciation and amortization	1,359	753	2,069	3,128
Impairment on goodwill	-	-	-	4,192
Impairment loss on insurance assets	-	3,210	-	3,210
Loss on revocation of purchase of investment properties	-	4,243	-	4,243
Change of fair value of investment properties	-	(22,375)	-	(22,375)
Interest income	(744)	(1,832)	(2,005)	(2,606)
<b>Operating (loss)/gain before working capital changes</b>	<b>(6,020)</b>	<b>100,917</b>	<b>(8,208)</b>	<b>(49,985)</b>
Trade and other receivables	47,163	125,748	51,871	322,407
Contract assets	5,074	3	5,549	(10,973)
Inventories	24	8	(246)	(2)
Development properties	(96,219)	(107,266)	(66,553)	63,415
Properties held for sale	(7,040)	(61,331)	(6,029)	51,133
Trade and other payables	100,533	(38,257)	145,599	(293,999)
Contract liabilities	4,290	-	4,290	(36,989)
Provisions	-	(176)	-	1,500
<b>Net cash generated from/(used in) operations</b>	<b>47,805</b>	<b>19,646</b>	<b>126,273</b>	<b>46,507</b>
Interest paid	(111,576)	(29,815)	(209,866)	(168,835)
Interest received	744	1,832	2,005	2,606
Income taxes (paid)/recovered	(21,572)	(82,912)	(20,073)	(66,166)
<b>Net cash generated from/(used in) operating activities</b>	<b>(84,599)</b>	<b>(91,249)</b>	<b>(101,661)</b>	<b>(185,888)</b>
<b>Cash flows from investing activities</b>				
(Purchase)/Proceeds from disposal of properties, plant and equipment, net	540	(392)	137	(1,026)
Investment in an associate	(5)	-	(5)	(40)
Decrease/(increase) in investment property	(8,448)	90,452	(8,362)	(9,640)
Proceeds from/(Increase in) disposal group assets classified as held-for-sale	-	-	4,000	(6,000)
Proceeds from/(Increase in) disposal of financial assets, FVOCI	-	-	1,300	-
<b>Net cash (used in)/generated by investing activities</b>	<b>(7,913)</b>	<b>90,060</b>	<b>(2,930)</b>	<b>(16,706)</b>
<b>Cash flows from financing activities</b>				
Decrease/(increase) in restricted cash	114,216	(2,914)	182,076	2,955
Lease payables	3,175	(6,577)	3,175	(6,354)
Repayment to amount due to former non-controlling interests	-	(11,617)	-	(11,617)
(Repayment)/Drawing of bank loans, net	(20,138)	(666)	(82,288)	188,969
<b>Net cash generated from/(used in) financing activities</b>	<b>97,253</b>	<b>(21,774)</b>	<b>102,963</b>	<b>173,953</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>4,741</b>	<b>(22,963)</b>	<b>(1,628)</b>	<b>(28,641)</b>
<b>Cash and cash equivalents at the beginning of the periods</b>	<b>11,156</b>	<b>40,488</b>	<b>17,525</b>	<b>46,166</b>
<b>Cash and cash equivalents at the end of the periods</b>	<b>15,897</b>	<b>17,525</b>	<b>15,897</b>	<b>17,525</b>



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

	Proforma CFS			
	4Q2019	(Restated) 4Q2018	FY2019	(Restated) FY2018
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss after tax	(125,947)	(109,132)	(212,938)	(333,557)
Adjustments for:				
Income tax expenses/(credit)	(73)	275	(14)	(41,163)
Impairment for non-current assets held-for-sale	-	58,177	-	54,852
Exchange differences	7,809	130,620	(5,186)	103,911
Interest expense	111,576	36,978	209,866	176,180
Depreciation and amortization	1,359	753	2,069	3,128
Impairment on goodwill	-	-	-	4,192
Impairment loss on insurance assets	-	3,210	-	3,210
Loss on revocation of purchase of investment properties	-	4,243	-	4,243
Change of fair value of investment properties	-	(22,375)	-	(22,375)
Interest income	(744)	(1,832)	(2,005)	(2,606)
<b>Operating (loss)/gain before working capital changes</b>	<b>(6,020)</b>	<b>100,917</b>	<b>(8,208)</b>	<b>(49,985)</b>
Trade and other receivables	47,163	125,748	51,871	322,407
Contract assets	5,074	3	5,549	(10,973)
Inventories	24	8	(246)	(2)
Development properties	(96,219)	(107,266)	(66,553)	63,415
Properties held for sale	(7,040)	(61,331)	(6,029)	51,133
Trade and other payables	100,533	(38,257)	145,599	(293,999)
Contract liabilities	4,290	-	4,290	(36,989)
Provisions	-	(176)	-	1,500
<b>Net cash generated from/(used in) operations</b>	<b>47,805</b>	<b>19,646</b>	<b>126,273</b>	<b>46,507</b>
Interest paid	(111,576)	(29,815)	(209,866)	(168,835)
Interest received	744	1,832	2,005	2,606
Income taxes (paid)/recovered	(21,572)	(82,912)	(20,073)	(66,166)
<b>Net cash generated from/(used in) operating activities</b>	<b>(84,599)</b>	<b>(91,249)</b>	<b>(101,661)</b>	<b>(185,888)</b>
<b>Cash flows from investing activities</b>				
(Purchase)/Proceeds from disposal of properties, plant and equipment, net	540	(392)	137	(1,026)
Investment in an associate	(5)	-	(5)	(40)
Decrease/(increase) in investment property	(8,448)	90,452	(8,362)	(9,640)
Proceeds from/(Increase in) disposal group assets classified as held-for-sale	-	-	4,000	(6,000)
Proceeds from/(Increase in) disposal of financial assets, FVOCI	-	-	1,300	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(7,913)</b>	<b>90,060</b>	<b>(2,930)</b>	<b>(16,706)</b>
<b>Cash flows from financing activities</b>				
Decrease/(increase) in restricted cash	114,216	(2,914)	182,076	2,955
Lease payables	3,175	(6,577)	3,175	(6,354)
Repayment to amount due to former non-controlling interests	-	(11,617)	-	(11,617)
(Repayment)/Drawing of bank loans, net	(20,138)	(666)	(82,288)	188,969
<b>Net cash generated from/(used in) financing activities</b>	<b>97,253</b>	<b>(21,774)</b>	<b>102,963</b>	<b>173,953</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>4,741</b>	<b>(22,963)</b>	<b>(1,628)</b>	<b>(28,641)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11,156</b>	<b>40,488</b>	<b>17,525</b>	<b>46,166</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15,897</b>	<b>17,525</b>	<b>15,897</b>	<b>17,525</b>

Explanatory Note:

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



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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								
	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
<b>Balance as at 1 January 2018 (restated)</b>	909,831	161,223	17,121	23,886	86,726	-	1,198,787	(11,693)	1,187,094
Loss for the period	-	(321,785)	-	-	-	-	(321,785)	(11,772)	(333,557)
Other comprehensive loss for the period	-	-	(25,722)	-	-	-	(25,722)	-	(25,722)
<b>Balance as at 31 December 2018 (restated)</b>	909,831	(160,562)	(8,601)	23,886	86,726	-	851,280	(23,465)	827,815
<b>Balance as at 1 January 2019 (restated)</b>	909,831	(160,562)	(8,601)	23,886	86,726	-	851,280	(23,465)	827,815
Loss for the period	-	(205,941)	-	-	-	-	(205,941)	(6,997)	(212,938)
Other comprehensive loss for the period	-	-	(5,186)	-	-	-	(5,186)	-	(5,186)
<b>Balance as at 31 December 2019</b>	909,831	(366,503)	(13,787)	23,886	86,726	-	640,153	(30,462)	609,691



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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 (continued)

	Group - Proforma CFS									
	Share 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
<b>Balance as at 1 January 2018 (restated)</b>	909,831	96,638	17,121	(148,414)	31,441	86,726	3,919	997,262	(11,693)	985,569
Loss for the period	-	(321,785)	-	-	-	-	-	(321,785)	(11,772)	(333,557)
Other comprehensive loss for the period	-	-	(25,722)	-	-	-	-	(25,722)	-	(25,722)
<b>Balance as at 31 December 2018 (restated)</b>	909,831	(225,147)	(8,601)	(148,414)	31,441	86,726	3,919	649,755	(23,465)	626,290
<b>Balance as at 1 January 2019 (restated)</b>	909,831	(225,147)	(8,601)	(148,414)	31,441	86,726	3,919	649,755	(23,465)	626,290
Loss for the period	-	(205,941)	-	-	-	-	-	(205,941)	(6,997)	(212,938)
Other comprehensive loss for the period	-	-	(5,186)	-	-	-	-	(5,186)	-	(5,186)
<b>Balance as at 31 December 2019</b>	909,831	(431,088)	(13,787)	(148,414)	31,441	86,726	3,919	438,628	(30,462)	408,166



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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 (continued)

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
<b>Balance as at 1 January 2018 (restated)</b>	909,831	(66,187)	(2,153)	841,491
Total comprehensive (loss)/profit for the period	-	(41,454)	27,778	(13,676)
<b>Balance as at 31 December 2018 (restated)</b>	909,831	(107,641)	25,625	827,815
<b>Balance as at 1 January 2019 (restated)</b>	909,831	(107,641)	25,625	827,815
Total comprehensive loss for the period	-	(27,860)	22,077	(5,783)
<b>Balance as at 31 December 2019</b>	909,831	(135,501)	47,702	822,032

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

Nil

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

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

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

	31.12.2019		31.12.2018	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	74,999,688	143,750

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

Nil.



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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.*

The Group has adopted the new and revised FRS which is effective for financial years on or after 1 January 2019. This has caused restatement in the comparatives in FY2018 and thus the opening figures in 2019. Other than this, same accounting policies and methods of computation are applied to the Company's most recently audited annual financial statement and this announcement for 4Q2019 and FY2019.

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.*

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

In adopting SFRS(I)s, the Group has applied all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I)s. In addition, the Group has also adopted the following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 January 2018 as follows:

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers

The adoption of the above standards did not have any significant impact on the financial performance or position of the Group and the Company except for the following:



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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.(continued)*

(a) SFRS(I) 1 First-time Adoption of SFRS(I)s

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has adopted SFRS(I) on 1 January 2018 and has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Business combinations

The Group has not applied SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 January 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(ii) Cumulative translation differences

The Group has elected to set the cumulative translation differences to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, translation reserve and retained profit as at 1 January 2017 and 31 December 2017 was increased/reduced respectively.

(iii) Leases

The Group has not reassessed the determination of whether an arrangement contained a lease in accordance with SFRS(I) INT 4 Determining whether an Arrangement contains a Lease.

(iv) Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, the requirements of SFRS 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 31 December 2017. The Group is also exempted from complying with SFRS(I) 7 Financial Instruments: Disclosures to the extent that the disclosures required by SFRS(I) 7 related to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.



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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. (continued)*

(v) Practical expedients on adoption of SFRS(I) 15 Revenue from Contracts with Customers

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 January 2018 and have used the following practical expedients provided under SFRS(I) 15 as follows:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;
- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contracts for those contract modifications; and
- for the financial year ended 31 December 2017, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

(c) Adoption of SFRS(I) equivalent of IFRS(I) 9

The Group has elected to apply the short-term exemption under IFRS(I) 1 to adopt SFRS(I) equivalent of IFRS 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) equivalent of IFRS 9. Expected significant adjustments to the Group's balance sheet line items as a result of Management's assessment are as follows:

- Equity investments reclassified from Available-for-sale ("AFS") to FVOCI  
The Group has elected to recognise changes in the fair value of its equity investments not held for trading and previously classified as AFS in other comprehensive income.





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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. (continued)*

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss impairment model under SFRS(I) equivalent of IFRS 9:

- trade receivables and contract assets recognised under SFRS(I) equivalent of IFRS 15; and
- other receivables at amortised cost.

Management does not expect significant adjustments to the Group's statement of financial position line items from the application of the expected credit loss impairment model.

(d) Adoption of SFRS(I) equivalent of IFRS 15

In accordance with the requirements of IFRS(I) 1, the Group will adopt SFRS(I) equivalent of IFRS 15 retrospectively. The adjustments made are as follows:

(i) Presentation of contract assets and liabilities

The Group is expected to change the presentation of certain amounts in the statement of financial position to reflect the terminology in SFRS equivalent of IFRS 15:

- Amounts due from customers arising from construction contracts, accrued revenue, construction contract work-in-progress and deferred costs under SFRS will be reclassified to and be presented as part of contract assets.
- The expected volume discounts and refunds to customers which have been presented as current provisions under SFRS, will be classified as contract liabilities.
- Advances received from customers arising from construction contracts and amounts due to customers arising from construction contracts and deferred revenue under SFRS will be reclassified to and be presented as part of contract liabilities.



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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. (continued)*

The adoption of SFRS(I) 15 and its significant impact to the financial statements year as at 31 December 2019 are disclosed below:

- Certain comparative figures for the financial year ended 31 December 2017 and 1 January 2017 have been reclassified to improve clarity and conform to current year's presentation.
- There were no material adjustments to the Group's statement of cash flows arising from prior year adjustments and the transition from SFRS to SFRS(I).

The financial effects of adopting SFRS(I)s for FY2019 are as follows:

	RMB (million)
Increase in revenue	39
Increase in cost of sales	13.1
Increase in net profit	25.9
Decrease in trade and other payables	39
Decrease in development properties	13.1

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			
	4Q2019	(Restated) 4Q2018	FY2019	(Restated) FY2018
<b>Profit (Loss) Per Share</b>				
Basic (a)	(164.34)	(142.11)	(274.59)	(429.05)

RMB fens	Proforma CFS			
	4Q2019	(Restated) 4Q2018	FY2019	(Restated) FY2018
<b>Profit (Loss) Per Share</b>				
Basic (a)	(164.34)	(142.11)	(274.59)	(429.05)

(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).



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

RMB	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2019	(Restated) 31.12.2018	31.12.2019	(Restated) 31.12.2018	31.12.2019	(Restated) 31.12.2018
Net asset value per ordinary share based on issued share capital at end of financial year*	8.13	11.04	5.44	8.35	10.96	11.04

# 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(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 and the comparatives for FY2017 and thus, the opening balance of FY2018 has been restated.

\* 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.*

**Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial statements and our Proforma Consolidated Financial statements for 4Q2019 and FY2019**

	31.12.2019		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
<b><u>Balance sheet items</u></b>			
Property held for sales	41,343	32,649	8,694
Development properties	1,037,408	781,659	255,749
Property, plant and equipment	23,665	21,014	2,651
Deferred tax liabilities	264,709	199,140	65,569
Shareholders' equity	609,691	408,166	201,525

	4Q2019		Difference	FY2019		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Comprehensive income statements items</u></b>						
Cost of sales	(8,605)	(8,605)	-	(52,234)	(52,234)	-
Other loss	(13,652)	(13,652)	-	(21,365)	(21,365)	-
Administrative expenses	(4,790)	(4,790)	-	(45,452)	(45,452)	-
Income tax expense	73	73	-	14	14	-
Loss for the period	(125,947)	(125,947)	-	(212,938)	(212,938)	-

\* Based on the unaudited Actual Consolidated Financial Statements.

\*\* Based on the unaudited Proforma Consolidated Financial Statements.

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



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

**Review based on our unaudited Actual Consolidated Financial Statements**

**Income statement**

**Revenue**

The Group's revenue decreased by RMB 48.1 million, or 28.0%, from RMB 172.0 million in FY2018 to RMB 123.9 million in FY2019. This was mainly due to the decrease in both property sale and construction contracts revenue by RMB 50.2 million, offset by the increase in property management revenue.

**Cost of Sales and Gross Profit**

Cost of sales decreased by RMB 32.0 million, or 38.0%, from RMB 84.2 million in FY2018 to RMB 52.2 million in FY2019. This was mainly due to a decrease in construction costs, which is in line with the decrease in property sales revenue.

In terms of gross profit margin, our overall gross profit margin increased from 51.1% in FY2018 to 57.8% in FY2019, as a result of the sale of remaining properties that have a higher gross profit margin.

With the exclusion of the non-cash fair value adjustment on the cost of property development sales due to the application of SFRS 103 (the "SFRS 103 Adjustment"), the Proforma gross profit margins attained are 51.1% and 57.8% in FY2018 and FY2019 respectively.

**Other Expenses**

Other expenses 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 loss decreased by RMB 206.1 million from RMB 227.5 million in FY2018 to RMB 21.4 million in FY2019, which was mainly due to a bad debt written-off of RMB 125.8 million, an impairment for non-current assets held-for-sale amounting to RMB 54.9 million, foreign exchange loss amounting to RMB 53.6 offset by a fair value gain on investment properties recognised by RMB 22.4 million in FY2018.



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

### **Selling and Distribution Expenses**

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

The selling and distribution expenses increased by RMB 1.6 million in FY2019 as compared to the previous corresponding period. The increase in selling and distribution expenses in FY2019 were due mainly to expenses incurred in marketing of the property development project "Bay One" and Malaysia Imbi project.

### **Administrative Expenses**

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

Administrative expenses decreased by RM 7.0 million or 13.0% from RMB 52.5 million in FY2018 to RMB 45.5 million in FY2019. It was mainly attributable to the Group's efforts to control the salary and bonus expenses.

### **Finance Costs**

Finance cost, net of capitalised interest, recorded a RMB 111.6 million and RMB 209.9 million in 4Q2019 and FY2019 respectively. The increase is mainly due to the Group's record loan interest due for a loan in 4Q2019.

### **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 ("LAT").



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

### **Net Loss**

The Group recorded a net loss of RMB 212.9 million in FY2019, compared to a net loss of RMB 333.6 million in FY2018. The Proforma CFS, which without the Notional Adjustment this period, with the same comparability of the Group's performance, has presented a net loss of RMB 212.9 million in FY2019 and a net loss of RMB 333.6 million in FY2018 respectively.

### **Statement of Financial Position as at 31 Dec 2019**

#### **Current Assets**

Current assets comprise mainly development properties, cash and bank balances, restricted cash and cash equivalents and trade and other receivables. Current assets amounted to approximately RMB 1,891.0 million in FY2019 compared to approximately RMB 1,974.8 million in FY2018.

The largest components of our current assets were development properties, restricted cash and cash equivalents and trade and other receivables, which stood at RMB 1,641.8 million, as compared to RMB 1,817.5 million in FY2018.

Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately RMB 1,037.4 million compared to RMB 970.9 million a year ago which resulted from the increase in cost for both our Sihui City Mall project and Bay One project.

The Group's cash and bank balances decreased by RMB 1.6 million, from RMB 17.5 million in FY2018 to RMB 15.9 million in FY2019, which was primarily attributable to the net cash used in both operating activities of RMB 101.7 million and investing activities of RMB 2.9 million, offset by net cash generated in financing activities of RMB 103.0 million.

In addition, restricted cash stood at RMB 20.0 million, approximately 90.1% lower than RMB 202.1 million as in FY2018, which is the result of repayment of bank loans and thus released the related restricted cash.

Trade and other receivables stood at approximately RMB 584.4 million, approximately 9.3% less than RMB 644.5 million in FY2018.

The Group's Net Working Capital (Current Assets- Current Liabilities) is negative largely due to the current loans which are payable in the next 12 months. Accordingly, the Group is in negotiations with the lenders to refinance the loan(s) as appropriate.



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

#### **Non-current assets**

Non-current assets comprise mainly property, plant and equipment and investment properties. The amount stood at RMB 2,179.1 million and 2,175.2 million as at end of FY2019 and FY2018 respectively.

The investment properties are held to generate rental income and/or for capital appreciation. Our investment properties comprise mainly our Debao Hotel Complex together with the adjacent land and underground car parks, commercial premises located in Debao Garden and Jiangnan Mingju, car parks located in Debao Garden, Tianjin Boulevard buildings and Sihui City Mall. The net book value of investment properties was approximately RMB 2,123.4 million as at the end of FY2019.

#### **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 755.8 million, approximately 24.1% higher than RMB 609.1 million as at 31 December 2018. The increase in trade and other payables was mainly due to the unpaid interest of Huarong loans for FY2019.

#### **Bank and Other Loans**

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

#### **Shareholders' equity**

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

- a) 32% 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.



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

Shareholders' equity amounted to RMB 609.7 million, representing a decrease of RMB 218.1 million from RMB 827.8 million at 31 December 2018, due to the loss incurred in this period.

### **Cash flow statement**

The Group has a net cash outflow in operating activities of RMB 101.7 million in FY2019, which comprise operating cash outflows before movements in working capital of RMB 8.2 million, in addition to net working capital generated from operations of RMB 134.5 million and adjusted by net use of finance cost and interest received as well as income tax of approximately RMB 227.9 million. The net working capital outflows were mainly due to net cash outflow by both development properties and interest paid, offset by decrease in trade and other payables during the current reporting period.

The net cash outflow in investing activities is RMB 2.9 million.

The Group recorded a net cash inflow in financing activities of RMB 103.0 million during FY2019. This was mainly due to a decrease in restricted cash offset by repayment of bank loans.

With the above, the Group has recorded a net decrease in cash and cash equivalents of RMB 1.6 million for FY2019.

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 2018.

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

### **Market Outlook**

As a result of the Government's policy to curb speculation, the property average selling price has become stable. Transaction volumes have increased from 3.0 million sqm in 3Q2019 to 3.2 million sqm (See Note 1 below) in 4Q2019, which is an increase of approximately 6.7%.





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

Nevertheless, the Group expects to face short term macro headwinds and foresees its results in 2020 to be impacted by the novel coronavirus (“**COVID-19**”) outbreak.

As a result of the COVID-19 outbreak, the Chinese Government has encouraged landlords to provide rent relief to retail tenants, which has affected the Group’s retail portfolio and resulted in lower rental income collected from the Group’s retail units in the months between January to March 2020. Additionally, the Group has not received financial assistance by the Chinese Government as the Group is privately-owned.

There has also been a temporary halt in property development activities in China and a fall in the number of property unit sales as result of the lockdowns by the relevant local authorities. Contributions from the property development business in the PRC and Malaysia are also expected to be lower due to delays in sales completions as a result of COVID-19.

Therefore, the Group’s performance to-date in 2020 has already been affected by COVID-19. Accordingly, the Group’s outlook for the global economy remains weak and forecasts that the COVID-19 outbreak will continue to impact the business.



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

### **Project Updates**

As at 31 December 2019, the Group has two overseas development projects with GFA of approximately 420,000 sqm as follows:

Projects located at Kuala Lumpur in Malaysia:

- 1) Project Imbi (Construction of the twin residential towers commenced in August 2018, pre-sales commenced on 2 November 2019); and
- 2) Project Kuchai Lama (Construction of five towers – including offices, residential and service apartments/hotel. Construction has yet to commence).

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

Projects located in PRC:

- 1) Tianjin Boulevard - a redevelopment project (hotel and shopping mall) in Tianjin HePing District, Nanshi Hotels Street (天津市和平区南市旅馆街) (Grand opening held on 28 September 2019); and
- 2) Bay ONE, previously known as Sihui City Mall Phase 2 - a residential and shopping mall development project with a planned GFA of approximately 104,426 sqm. (Pre-sales commenced on 7 October 2019).

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



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

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 31 December 2019 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
The Landmark-Malaysia	69,455	2,255	30,800	10%
Jin Long Garden-South Zone	846,112	86,627	9,767	100%
Jiangnan Mingju Phases 5 and 6	994,615	146,075	6,809	100%
Sihui City Mall	377,480	58,229	6,483	100%
Sihui Bay One	25,001	2,806	8,910	40%
<b>Total</b>	<b>2,312,663</b>	<b>295,992</b>	<b>7,813</b>	<b>NA</b>

The accumulated sales/pre-sales (See Note 2 below) status of our projects for FY2019 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	5,212	397	13,128	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	509	92	5,533	100%
Sihui Bay One	25,001	2,806	8,910	40%
<b>Total</b>	<b>100,177</b>	<b>5,550</b>	<b>18,050</b>	<b>NA</b>

The sales/pre-sales (See Note 2 below) status of our projects for 4Q2019 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	3,933	267	14,730	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	-	-	-	100%
Sihui Bay One	25,001	2,806	8,910	40%
<b>Total</b>	<b>98,389</b>	<b>5,328</b>	<b>18,466</b>	<b>NA</b>

Sales for Jiangnan Mingju Phases 5 and 6 in FY2019 have been recognised as revenue in the current reporting periods. The sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-venture project) have also been recognised in FY2019 when handed over.

#### Notes

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



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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 FY2019.

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) FY2019	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) FY2019
Zhong Yu Xin <sup>(1)</sup>	S\$ 661,158 <sup>(2)</sup>	-
Yuan Le Sheng <sup>(3)</sup>	S\$ 690,948 <sup>(4)</sup>	-

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 (RMB 750,000) and disposal of Foshan Nanhai Rural Credit Union shares to Yuan Le Sheng (RMB 2,828,188)



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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 contracts	Property investment	Property management	Total
<b>Revenue</b>					
<u>2019</u>	43,454	42,133	16,402	21,931	123,920
<u>2018(Restated)</u>	66,558	69,179	17,031	19,250	172,018
<b>Segment result</b>					
<u>2019</u>	(134,604)	(41,950)	(3,971)	(32,413)	(212,938)
<u>2018(Restated)</u>	(206,174)	(86,484)	(5,177)	(35,722)	(333,557)

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		
	2019	(Restated) 2018	Increase/ (Decrease)	2019	(Restated) 2018	Increase/ (Decrease)
	RMB'000	RMB'000	(Decrease)	RMB'000	RMB'000	(Decrease)
(a) Sales reported for first half year	53,294	127,816	(58%)	53,294	127,816	(58%)
(b) Operating profit/(loss) after tax reported for first half year	(33,133)	(134,125)	(75%)	(33,133)	(134,125)	(75%)
(c) Sales reported for second half year	70,626	44,202	60%	70,626	44,202	60%
(d) Operating profit after tax reported for second half year	(179,805)	(199,432)	(10%)	(179,805)	(199,432)	(10%)



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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

	2019	2018
Ordinary Shares	Nil	Nil

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Yuan Jian Sheng	56	Brother of our shareholder, Mr. Yuan Le Sheng	Vice general manager of our subsidiary, Foshan Nanhai Guihe Construction Engineering Co., Ltd, 2014	Nil
Yuan Le Sheng	53	Father of our director, Mr. Yuan Jia Jun	Consultant, 2018	Nil

BY ORDER OF THE BOARD

Zhong Yu Zhao  
Executive Director and CEO  
27 March 2020



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***Confirmation by the Board***

We, Zhong Yu Zhao and Yuan Jia Jun, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the for the three months and the year ended 31 December 2019 to be false or misleading in any material respect and we confirm that the Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

***On behalf of the Board of Directors***

Zhong Yu Zhao  
Executive Director and CEO

Yuan Jia Jun  
Executive Director

27 March 2020