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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015 ("2Q2015 and 1H2015")**

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

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

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

**Actual Consolidated Statement of Comprehensive Income**

	Actual CFS (As defined herein)					
	2Q2015	2Q2014	% Change	1H2015	1H2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	28,524	17,613	62%	39,458	78,928	( 50%)
<b>Cost of sales</b>	(16,400)	(9,307)	76%	(21,026)	(36,345)	( 42%)
<b>Gross profit</b>	<b>12,124</b>	<b>8,306</b>	<b>46%</b>	<b>18,432</b>	<b>42,583</b>	<b>( 57%)</b>
Other income	1,851	1,030	80%	4,165	2,612	59%
Selling and distribution expenses	(3,027)	(9,745)	( 69%)	(5,847)	(15,760)	( 63%)
Administrative expenses	(12,858)	(11,263)	14%	(27,886)	(24,673)	13%
Finance costs	(33,715)	(23,059)	46%	(67,978)	(42,270)	61%
<b>Loss before income tax</b>	<b>(35,625)</b>	<b>(34,731)</b>	<b>3%</b>	<b>(79,114)</b>	<b>(37,508)</b>	<b>111%</b>
Income tax (expenses) credit	(676)	1,955	( 135%)	(996)	(5,076)	( 80%)
<b>Net loss for the period</b>	<b>(36,301)</b>	<b>(32,776)</b>	<b>11%</b>	<b>(80,110)</b>	<b>(42,584)</b>	<b>88%</b>
<b>Other comprehensive (loss) income</b>						
Currency translation difference	(11,964)	862	( 1,488%)	4,097	2,614	57%
<b>Total Comprehensive loss for the period</b>	<b>(48,265)</b>	<b>(31,914)</b>	<b>51%</b>	<b>(76,013)</b>	<b>(39,970)</b>	<b>90%</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(28,509)	(30,792)	( 7%)	(63,744)	(36,604)	74%
Non-controlling interest	(7,792)	(1,984)	293%	(16,366)	(5,980)	174%
	<b>(36,301)</b>	<b>(32,776)</b>	<b>11%</b>	<b>(80,110)</b>	<b>(42,584)</b>	<b>88%</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(40,473)	(29,930)	35%	(59,647)	(33,990)	75%
Non-controlling interest	(7,792)	(1,984)	293%	(16,366)	(5,980)	174%
	<b>(48,265)</b>	<b>(31,914)</b>	<b>51%</b>	<b>(76,013)</b>	<b>(39,970)</b>	<b>90%</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)					
	2Q2015	2Q2014	% Change	1H2015	1H2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	28,524	17,613	62%	39,458	78,928	( 50%)
<b>Cost of sales</b>	(16,307)	(9,186)	78%	(20,742)	(35,209)	( 41%)
<b>Gross profit</b>	<b>12,217</b>	<b>8,427</b>	<b>45%</b>	<b>18,716</b>	<b>43,719</b>	<b>( 57%)</b>
Other income	1,851	1,030	80%	4,165	2,612	59%
Selling and distribution expenses	(3,027)	(9,745)	( 69%)	(5,847)	(15,760)	( 63%)
Administrative expenses	(12,801)	(11,174)	15%	(27,773)	(24,454)	14%
Finance costs	(33,715)	(23,059)	46%	(67,978)	(42,270)	61%
<b>Loss before income tax</b>	<b>(35,475)</b>	<b>(34,521)</b>	<b>3%</b>	<b>(78,717)</b>	<b>(36,153)</b>	<b>118%</b>
Income tax (expenses) credit	(713)	1,866	( 138%)	(1,095)	(5,433)	( 80%)
<b>Net loss for the period</b>	<b>(36,188)</b>	<b>(32,655)</b>	<b>11%</b>	<b>(79,812)</b>	<b>(41,586)</b>	<b>92%</b>
<b>Other comprehensive (loss) income</b>						
Currency translation difference	(11,964)	862	( 1,488%)	4,097	2,614	57%
<b>Total Comprehensive loss for the period</b>	<b>(48,152)</b>	<b>(31,793)</b>	<b>51%</b>	<b>(75,715)</b>	<b>(38,972)</b>	<b>94%</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(28,396)	(30,671)	( 7%)	(63,446)	(35,606)	78%
Non-controlling interest	(7,792)	(1,984)	293%	(16,366)	(5,980)	174%
	<b>(36,188)</b>	<b>(32,655)</b>	<b>11%</b>	<b>(79,812)</b>	<b>(41,586)</b>	<b>92%</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(40,360)	(29,809)	35%	(59,349)	(32,992)	80%
Non-controlling interest	(7,792)	(1,984)	293%	(16,366)	(5,980)	174%
	<b>(48,152)</b>	<b>(31,793)</b>	<b>51%</b>	<b>(75,715)</b>	<b>(38,972)</b>	<b>94%</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).*

Explanatory Notes:

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

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

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

As a result, our gross profits and earnings for the second quarter and half year ended 30 June 2014 (“**2Q2014 and 1H2014**”) and for the second quarter and half year ended 30 June 2015 (“**2Q2015 and 1H2015**”), 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 2Q2014, 1H2014, 2Q2015 and 1H2015 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 2Q2014, 1H2014, 2Q2015 and 1H2015 (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					
	2Q2015	2Q2014	% Change	1H2015	1H2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	666	767	( 13%)	1,489	1,545	( 4%)
Amortisation	56	20	180%	111	40	178%
Interest expense	33,715	23,059	46%	67,978	42,270	61%
Interest income	(1,851)	(1,369)	35%	(4,165)	(2,463)	69%

	Proforma Consolidated Statement of Comprehensive Income					
	2Q2015	2Q2014	% Change	1H2015	1H2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	609	710	( 14%)	1,376	1,432	( 4%)
Amortisation	56	20	180%	111	40	178%
Interest expense	33,715	23,059	46%	67,978	42,270	61%
Interest income	(1,851)	(1,369)	35%	(4,165)	(2,463)	69%



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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	
	30.6.2015 RMB'000	31.12.2014 RMB'000	30.6.2015 RMB'000	31.12.2014 RMB'000	30.6.2015 RMB'000	31.12.2014 RMB'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank equivalents	68,274	140,322	68,274	140,322	14	47
Restricted cash and cash equivalents	235,700	324,762	235,700	324,762	-	-
Trade and other receivables	502,575	444,604	502,575	444,604	-	-
Amount due from related parties	1,143	3,934	1,143	3,934	-	-
Due from subsidiaries	-	-	-	-	620,311	652,659
Amount due from customers for contract work	97	1,447	97	1,447	-	-
Inventories	1,646	247	1,646	247	-	-
Property held for sales	424,628	430,952	415,264	421,397	-	-
Development properties	1,894,337	1,708,435	1,625,733	1,439,738	-	-
Prepaid land use right	223	223	223	223	-	-
Dividends receivable	-	-	-	-	21,632	22,038
<b>Total current assets</b>	<b>3,128,623</b>	<b>3,054,926</b>	<b>2,850,655</b>	<b>2,776,674</b>	<b>641,957</b>	<b>674,744</b>
<b>Non-current Assets</b>						
Prepaid land use right	4,697	4,808	4,697	4,808	-	-
Property, plant and equipment	24,433	25,922	21,217	22,593	-	-
Investment properties	2,010,412	2,001,707	2,010,412	2,001,707	-	-
Joint Venture	235,621	235,621	235,621	235,621	-	-
Trade and other receivables	20,000	20,000	20,000	20,000	-	-
Investment in subsidiaries	-	-	-	-	1,815	1,815
Other investment	1,300	1,800	1,300	1,800	-	-
Deferred tax assets	10,223	10,223	10,223	10,223	-	-
Goodwill	4,192	4,192	4,192	4,192	-	-
<b>Total non-current assets</b>	<b>2,310,878</b>	<b>2,304,273</b>	<b>2,307,662</b>	<b>2,300,944</b>	<b>1,815</b>	<b>1,815</b>
<b>Total assets</b>	<b>5,439,501</b>	<b>5,359,199</b>	<b>5,158,317</b>	<b>5,077,618</b>	<b>643,772</b>	<b>676,559</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
Bank and other loans	1,208,457	1,335,527	1,208,457	1,335,527	-	-
Trade and other payables	1,126,929	808,188	1,126,929	808,188	3,068	8,963
Long term payable-current portion	18,538	19,538	18,538	19,538	-	-
Amount due to related parties	113,791	131,370	113,791	131,370	-	-
Due to subsidiaries	-	-	-	-	34,302	34,946
Tax payables	104,499	112,580	104,499	112,580	-	-
<b>Total current liabilities</b>	<b>2,572,214</b>	<b>2,407,203</b>	<b>2,572,214</b>	<b>2,407,203</b>	<b>37,370</b>	<b>43,909</b>
<b>Non-current liabilities</b>						
Bank and other loans	839,680	834,526	839,680	834,526	-	-
Trade and other payables	20,663	20,663	20,663	20,663	-	-
Long term payable	157,869	157,869	157,869	157,869	-	-
Deferred tax liabilities	335,441	337,230	266,555	268,245	-	-
<b>Total non-current liabilities</b>	<b>1,353,653</b>	<b>1,350,288</b>	<b>1,284,767</b>	<b>1,281,303</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>	<b>1,513,634</b>	<b>1,601,708</b>	<b>1,301,336</b>	<b>1,389,112</b>	<b>606,402</b>	<b>632,650</b>
<b>Total liabilities and Shareholders' equity</b>	<b>5,439,501</b>	<b>5,359,199</b>	<b>5,158,317</b>	<b>5,077,618</b>	<b>643,772</b>	<b>676,559</b>



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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 these tangible assets) as at the respective dates of legal completion of the acquisitions of each PRC subsidiary as the book values of these assets in the Actual Consolidated Financial Statements, as compared with the unaudited Proforma Consolidated Financial Statements where the corresponding values of these assets were based on the historical purchase costs of the respective assets by the PRC subsidiaries; and (ii) the impact of the different comprehensive income statements between Actual Consolidated Financial Statements and the unaudited Proforma Consolidated Financial Statements as mentioned in the preceding section. Please refer to item 1(a)(i) Explanatory Notes for more details.

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

The restatement do not have any effect on the Group's net assets and profit after tax as previously announced in the 2Q2015 and 1H2015 Results Announcement.

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

	Group (Actual CFS)	
	30.6.2015	31.12.2014
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:-		
Secured (a)	1,190,178	1,325,527
Unsecured (b)	18,279	10,000
<b>Sub-total (1)</b>	<b>1,208,457</b>	<b>1,335,527</b>
Amount repayable after one year		
Secured (a)	839,680	816,247
Unsecured (b)	-	18,279
<b>Sub-total (2)</b>	<b>839,680</b>	<b>834,526</b>
<b>Total debt (1)+(2)</b>	<b>2,048,137</b>	<b>2,170,053</b>



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

Explanatory Notes:

**Bank loans**

- (a) Bank loans amounting to RMB34,977,000 (2014: RMB38,546,000) with an interest rate of 6.55% (2014: 6.55%) per annum are repayable from the second half year of 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 RMB7,466,000 (2014: RMB7,249,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB27,511,000 (2014: RMB31,297,000).

Bank loan amounting to RMB Nil (2014: RMB45,000,000) with an interest rate of 8.40% (2014: 8.40%) per annum, has repaid in 2015, secured by land use rights of the Group.

Bank loan amounting to RMB Nil (2014: RMB129,500,000) with an interest rate of 6% (2014: 6%) per annum, has repaid 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 (2014: RMB100,000,000) with an interest rate of 7% (2014: 7%) per annum, are repayable in the second half year of 2015 or repayable upon demand and were secured by certain land use rights of the Group.

Bank loan amounting to RMB69,300,000 (2014: RMB75,000,000) with an interest rate of 6.72% to 7% (2014: 6.72% to 7.80%) per annum, are repayable in the second half year of 2015, secured by land use rights and investment properties of the Group.

Bank loan amounting to RMB Nil (2014: RMB58,000,000) with an interest rate of 6% to 6.30% (2014: 6% to 6.30%) per annum, has repaid in 2015, secured by land use rights of the Group.

Bank loan amounting to RMB Nil (2014: RMB27,000,000) with an interest rate of 6% (2014: 6%) per annum, has repaid in 2015, secured by land use rights and property of the Group.

Bank loan amounting to RMB Nil (2014: RMB72,500,000) with an interest rate of 6% to 6.15% (2014: 6% to 6.15%) per annum, has repaid in 2015, secured by land use rights of the Group and restricted cash and cash equivalents of RMB50,000,000.

Bank loan amounting to RMB10,000,000 (2014: RMB10,000,000) with an interest rate of 6.15% (2014: 6.15%) per annum, are repayable in the second half year of 2015, are secured restricted cash and cash equivalents of RMB 10,000,000.

Bank loan amounting to RMB40,000,000 (2014: RMB50,000,000) with an interest rate of 7% (2014: 7%) per annum, are repayable in the second half year of 2015, secured by land use rights and investment property of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB84,990,000 (2014: RMB85,000,000) bears an interest rate of 7% (2014: 7%) per annum, are repayable in the second half year of 2015, secured by land use rights of the Group, as well as guaranteed by one director of the Group.





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

Bank loan amounting to RMB25,000,000 (2014: RMB30,000,000) bears an interest rate of 8.40% (2014: 7.8% to 8.28%) per annum, are repayable in the second half year of 2015, secured by investment property of the Group.

New loan raised in 1Q2015 amounting to RMB31,200,000 bears an interest rate of 8.5% per annum, are repayable in 2016, secured by property held for sales and restricted cash and cash equivalents of RMB7,200,000, and guaranteed by other subsidiaries of the Group.

New loan raised in 2Q2015 amounting to RMB21,251,000 bears an interest rate of 3.25% per annum, are repayable in 2016, secured by restricted cash and cash equivalents of RMB22,000,000.

New loan raised in 2Q2015 amounting to RMB37,000,000 bears an interest rate of 5.87% per annum, are repayable in 2016, secured by land use rights of the Group.

New loan raised in 2Q2015 amounting to RMB35,000,000 bears an interest rate of 5.87% per annum, are repayable in 2016, secured by investment property and restricted cash and cash equivalents of RMB15,000,000.

New loan raised in 2Q2015 amounting to RMB3,600,000 bears an interest rate of 5.61% per annum, are repayable in 2016, secured by restricted cash and cash equivalents of RMB4,000,000.

New loan raised in 2Q2015 amounting to RMB80,000,000 bears an interest rate of 6.75% per annum, are repayable in 2016, secured by land use rights of the Group.

New loan raised in 2Q2015 amounting to RMB90,000,000 bears an interest rate of 7.00% per annum, are repayable in 2016, secured by certain land use rights and property of the Group.

New loan raised in 2Q2015 amounting to RMB19,900,000 bears an interest rate of 5.10% per annum, are repayable in 2016, secured by restricted cash and cash equivalents of RMB20,000,000.

**Other loans(secured)**

- (a) Loans raised together with a contractor for a total of RMB118,609,000 (2014: RMB210,533,000) with an interest rates ranging from 7% to 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. RMB93,705,000 (2014: RMB183,704,000) has been advanced to the Group and approximately RMB55,814,000 (2014: RMB55,814,000) has been used to pay interest. The loans are repayable on demand.

Other loans amounting to RMB Nil (2014: RMB70,000,000) with an effective interest rate of approximately 14.50% (2014: 14.50%) per annum, has repaid in 2015 and secured by certain land use rights of the Group.

Other loan amounting to RMB76,000,000 (2014: RMB84,000,000) with an effective interest rate of approximately 15.80% (2014: 15.80%) per annum, repayable from the second half year of 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 RMB16,000,000 (2014: RMB24,000,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB60,000,000 (2014: RMB60,000,000).





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

Other loan amounting to RMB57,400,000 (2014: RMB82,000,000) with an effective interest rate of approximately 14.54% (2014: 14.54%) per annum, repayable from the second half year of 2015 to 2016, secured by property held for sales of the Group.

Other loan amounting to RMB140,286,000 (2014: RMB142,918,000) with an effective interest rate of approximately 5.23% (2014: 5.23%) per annum, repayable in the second half year of 2015, secured by restricted cash and cash equivalents of RMB157,500,000.

Other loan amounting to RMB538,589,000 (2014: RMB548,589,000) with an effective interest rate of approximately 12.70% (2014: 12.70%) per annum, repayable from the second half year of 2015 to 2017, secured by land use rights and property under development of the Group. The current portion of these loans amounted to RMB154,577,000 (2014: RMB164,577,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB384,012,000 (2014: RMB384,012,000).

Other loan amounting to RMB304,309,000 (2014: RMB310,017,000) with an effective interest rate of approximately 15% (2014: 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 loan amounting to RMB16,100,000 (2014: RMB10,000,000) with an effective interest rate of 36% (2014: 24%) per annum, are repayable in the second half year of 2015, guaranteed by other subsidiary of the Group.

Other loan raised in 2015Q1 amounting to RMB91,211,000 with an effective interest rate of approximately 14% per annum, repayable from the second half year of 2015 to 2018, secured by land use rights and investment property of the Group. The current portion of these loans amounted to RMB27,363,000 are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB63,848,000.

Other loan raised in 2015Q2 amounting to RMB18,820,000 with an effective interest rate of 26% per annum, are repayable in the second half year of 2015, guaranteed by other subsidiary of the Group.

Other loan raised in 2015Q2 amounting to RMB11,220,000 with an effective interest rate of 26% per annum, are repayable in the second half year of 2015, guaranteed by other subsidiary of the Group.

**Other loans(unsecured)**

- (b) Other loan amounting to RMB18,279,000 (2014: RMB18,279,000) with an effective interest rate of 18% (2014: 18%) per annum, are repayable in the second half year of 2015 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			
	2Q2015	2Q2014	1H2015	1H2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss before tax	(35,625)	(34,731)	(79,114)	(37,508)
Adjustments for:				
Depreciation and amortisation	722	787	1,600	1,585
Interest expense	33,715	23,059	67,978	42,270
Interest income	(1,851)	(1,369)	(4,165)	(2,463)
<b>Operating (loss) profit before working capital changes</b>	<b>(3,039)</b>	<b>(12,254)</b>	<b>(13,701)</b>	<b>3,884</b>
Trade and other receivables	(43,415)	6,517	(77,159)	(38,453)
Development properties	(54,253)	(95,938)	(154,133)	(133,753)
Property held for sales	5,510	5,248	6,324	25,839
Amount due from customers for contract work	1,312	-	1,350	11,208
Inventories	(1,394)	(8)	(1,399)	(15)
Trade and other payables	127,857	88,494	303,253	121,621
Amounts due to related parties	386	2,156	(17,579)	(2,613)
<b>Net cash from (used in) operations</b>	<b>32,964</b>	<b>(5,785)</b>	<b>46,956</b>	<b>(12,282)</b>
Interest paid	(32,285)	(31,478)	(58,456)	(54,507)
Interest received	1,851	1,369	4,165	2,463
Income taxes paid	(7,656)	(1,323)	(16,637)	(8,757)
<b>Net cash (used in) from operating activities</b>	<b>(5,126)</b>	<b>(37,217)</b>	<b>(23,972)</b>	<b>(73,083)</b>
<b>Cash flows from investing activities</b>				
Purchases of properties, plant and equipment	-	(372)	-	(544)
Addition in investment property	(5,526)	(12,340)	(6,300)	(17,244)
Disposal of other investment	-	-	500	-
<b>Net cash (used in) from investing activities</b>	<b>(5,526)</b>	<b>(12,712)</b>	<b>(5,800)</b>	<b>(17,788)</b>
<b>Cash flows from financing activities</b>				
Amounts due from related parties	(717)	(346)	2,791	3,017
Fixed deposit	74,271	4,094	89,062	91,860
Dividend paid	(12,061)	-	(12,061)	-
Proceeds from bank and other loans	314,483	125,580	445,302	167,000
Repayment of bank and other loans	(405,075)	(100,973)	(567,218)	(183,127)
<b>Net cash (used in) from financing activities</b>	<b>(29,099)</b>	<b>28,355</b>	<b>(42,124)</b>	<b>78,750</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,751)</b>	<b>(21,574)</b>	<b>(71,896)</b>	<b>(12,121)</b>
<b>Cash and cash equivalents at the beginning of the periods</b>	<b>107,906</b>	<b>150,444</b>	<b>140,322</b>	<b>141,223</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currency</b>	<b>119</b>	<b>124</b>	<b>(152)</b>	<b>(108)</b>
<b>Cash and cash equivalents at the end of the periods</b>	<b>68,274</b>	<b>128,994</b>	<b>68,274</b>	<b>128,994</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			
	2Q2015	2Q2014	1H2015	1H2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss before tax	(35,475)	(34,521)	(78,717)	(36,153)
Adjustments for:				
Depreciation and amortisation	665	730	1,487	1,472
Interest expense	33,715	23,059	67,978	42,270
Interest income	(1,851)	(1,369)	(4,165)	(2,463)
<b>Operating (loss) profit before working capital changes</b>	<b>(2,946)</b>	<b>(12,101)</b>	<b>(13,417)</b>	<b>5,126</b>
Trade and other receivables	(43,415)	6,485	(78,134)	(38,559)
Development properties	(54,346)	(96,056)	(153,251)	(134,648)
Property held for sales	5,510	5,245	6,133	25,598
Amount due from customers for contract work	1,312	-	1,350	11,208
Inventories	(1,394)	(8)	(1,399)	(15)
Trade and other payables	127,857	88,494	303,253	121,621
Amounts due to related parties	386	2,156	(17,579)	(2,613)
<b>Net cash from (used in) operations</b>	<b>32,964</b>	<b>(5,785)</b>	<b>46,956</b>	<b>(12,282)</b>
Interest paid	(32,285)	(31,478)	(58,456)	(54,507)
Interest received	1,851	1,369	4,165	2,463
Income taxes paid	(7,656)	(1,323)	(16,637)	(8,757)
<b>Net cash (used in) from operating activities</b>	<b>(5,126)</b>	<b>(37,217)</b>	<b>(23,972)</b>	<b>(73,083)</b>
<b>Cash flows from investing activities</b>				
Purchases of properties, plant and equipment	-	(372)	-	(544)
Addition in investment property	(5,526)	(12,340)	(6,300)	(17,244)
Disposal of other investment			500	
<b>Net cash (used in) from investing activities</b>	<b>(5,526)</b>	<b>(12,712)</b>	<b>(5,800)</b>	<b>(17,788)</b>
<b>Cash flows from financing activities</b>				
Amounts due from related parties	(717)	(346)	2,791	3,017
Fixed deposit	74,271	4,094	89,062	91,860
Dividend paid	(12,061)	-	(12,061)	-
Proceeds from bank and other loans	314,483	125,580	445,302	167,000
Repayment of bank and other loans	(405,075)	(100,973)	(567,218)	(183,127)
<b>Net cash (used in) from financing activities</b>	<b>(29,099)</b>	<b>28,355</b>	<b>(42,124)</b>	<b>78,750</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,751)</b>	<b>(21,574)</b>	<b>(71,896)</b>	<b>(12,121)</b>
<b>Cash and cash equivalents at the beginning of the periods</b>	<b>107,906</b>	<b>150,444</b>	<b>140,322</b>	<b>141,223</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currency</b>	<b>119</b>	<b>124</b>	<b>(152)</b>	<b>(108)</b>
<b>Cash and cash equivalents at the end of the periods</b>	<b>68,274</b>	<b>128,994</b>	<b>68,274</b>	<b>128,994</b>

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
<b>Balance as at 1 January 2014</b>	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)
<b>Balance as at 31 March 2014</b>	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)
<b>Balance as at 30 June 2014</b>	909,831	248,675	4,435	23,887	396	17,788	1,205,012	19,539	1,224,551
<b>Balance as at 1 January 2015</b>	909,831	400,165	17,254	23,887	396	17,788	1,369,321	232,387	1,601,708
Total comprehensive (loss) profit for the period	-	(35,235)	16,061	-	-	-	(19,174)	(8,574)	(27,748)
<b>Balance as at 31 March 2015</b>	909,831	364,930	33,315	23,887	396	17,788	1,350,147	223,813	1,573,960
Total comprehensive loss for the period	-	(28,509)	(11,964)	-	-	-	(40,473)	(7,792)	(48,265)
Dividend distribution	-	(12,061)	-	-	-	-	(12,061)	-	(12,061)
<b>Balance as at 30 June 2015</b>	909,831	324,360	21,351	23,887	396	17,788	1,297,613	216,021	1,513,634



DEBAO PROPERTY  
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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									
	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
<b>Balance as at 1 January 2014</b>	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)
<b>Balance as at 31 March 2014</b>	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)
<b>Balance as at 30 June 2014</b>	909,831	171,299	4,435	(148,414)	31,442	396	21,707	990,696	19,539	1,010,235
<b>Balance as at 1 January 2015</b>	909,831	324,509	17,254	(148,414)	31,442	396	21,707	1,156,725	232,387	1,389,112
Total comprehensive (loss) profit for the period	-	(35,050)	16,061	-	-	-	-	(18,989)	(8,574)	(27,563)
<b>Balance as at 31 March 2015</b>	909,831	289,459	33,315	(148,414)	31,442	396	21,707	1,137,736	223,813	1,361,549
Total comprehensive loss for the period	-	(28,396)	(11,964)	-	-	-	-	(40,360)	(7,792)	(48,152)
Dividend distribution	-	(12,061)	-	-	-	-	-	(12,061)	-	(12,061)
<b>Balance as at 30 June 2015</b>	909,831	249,002	21,351	(148,414)	31,442	396	21,707	1,085,315	216,021	1,301,336



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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
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
Balance as at 1 January 2015	909,831	(252,826)	(24,355)	632,650
Total comprehensive loss for the period	-	(1,058)	(25,264)	(26,322)
Balance as at 31 March 2015	909,831	(253,884)	(49,619)	606,328
Total comprehensive (loss) profit for the period		(1,661)	13,796	12,135
Dividend distribution		(12,061)		(12,061)
Balance as at 30 June 2015	909,831	(267,606)	(35,823)	606,402

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 2014 and 30 June 2015 respectively.

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

	30.6.2015		31.12.2014	
	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



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

Nil.

2. *Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.*

The figures have neither been audited nor reviewed by the Company's auditors.

3. *Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).*

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in its unaudited financial statements for 2Q2015 and 1H2015 as those of the audited financial statements for the year ended 31 December 2014, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2015. The adoption of all new and revised FRSS has no material effect on the 2Q2015 and 1H2015 unaudited financial statements.

5. *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.*

Nil.

6. *Earnings per ordinary share (EPS) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.*

RMB fens	Actual CFS			
	2Q2015	2Q2014	1H2015	1H2014
<b>Loss Per Share</b>				
Basic (a)	(2.53)	(2.74)	(5.67)	(3.25)

RMB fens	Proforma CFS			
	2Q2015	2Q2014	1H2015	1H2014
<b>Loss Per Share</b>				
Basic (a)	(2.52)	(2.73)	(5.64)	(3.16)

- (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).





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

RMB fens	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Net asset value per ordinary share based on issued share capital at end of financial year*	134.55	142.37	115.67	123.48	53.90	56.24

\* Net asset value per share has been computed based on the ordinary share capital of 1,125,000,000 ie: number of ordinary shares issued and paid-up, 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 2Q2015 and 1H2015**

	30.6.2015		Difference
	Actual*	Proforma*	***
	RMB'000	RMB'000	RMB'000
<b><u>Balance sheet items</u></b>			
Property held for sales	424,628	415,264	9,364
Development properties	1,894,337	1,625,733	268,604
Property, plant and equipment	24,433	21,217	3,216
Deferred tax liabilities	335,441	266,555	68,886
Shareholders' equity	1,513,634	1,301,336	212,298

	2Q2015		Difference	1H2015		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	(16,400)	(16,307)	(93)	(21,026)	(20,742)	(284)
Administrative expenses	(12,858)	(12,801)	(57)	(27,886)	(27,773)	(113)
Income tax expense	(676)	(713)	37	(996)	(1,095)	99
Loss for the period	(36,301)	(36,188)	(113)	(80,110)	(79,812)	(298)

\* 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 unaudited Actual Consolidated Financial Statements**

**Income statement**

**Revenue**

Our Group's revenue decreased by RMB39.4 million, or 50%, from RMB78.9 million in 1H2014 to RMB39.5 million in 1H2015. The decrease was mainly attributed to the decrease in revenue from our property development sales by RMB40.2 million, from RMB62.5 million in 1H2014 to RMB22.3 million in 1H2015. 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 1H2015 compared with the previous corresponding period. The GFA sold and recognised in 1H2014 and 1H2015 was 4,500 sqm and 3,200 sqm respectively, while the ASP per sqm had decreased from approximately RMB14,200 per sqm in 1H2014 to approximately RMB7,300 per sqm in 1H2015. Less than previous corresponding period, only one villa was recognized revenue in 1H2015, which was with higher ASP per sqm, and this caused the decrease of total ASP per sqm. Besides, there is about RMB475.7 million of advance from customers for pre-sales of properties that did not meet sales recognition criteria on 30 June 2015.

The decrease in revenue was also contributed by an decrease in revenue contribution from construction contracts of RMB1.9 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 of RMB1.6 million, mainly due to the increase in property management fees from Shanshui Longpan, Phase 1 and Phase 1(ii) villas, one of residence communities that we provided property management service since the fourth quarter of 2014.

Futhermore, there was an increase in revenue contribution from property rental income of RMB1.1 million, mainly due to the increase property rental income from Sihui City Mall, which was officially commenced business in January 2015.

For 2Q2015, the Group's revenue increased by RMB10.9 million, or 62%, from RMB17.6 million in 2Q2014 to RMB28.5 million in 2Q2015. This was mainly attributed to an increase in revenue contribution from property development sales and property rental income.



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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):*

#### **Cost of Sales and Gross Profit**

Our cost of sales is decreased by RMB15.3 million, or 42%, from RMB36.3 million in 1H2014 to RMB21.0 million in 1H2015. This was mainly caused by a decrease in cost of property development sales by RMB18.1 million, which was fairly in line with the decrease of GFA recognised.

Included in the 1H2015 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 RMB0.28 million. The fair value adjustment to the cost of property development sales was mainly due to the application SFRS 103 for the acquisition of the PRC subsidiaries by our Group where, *inter alia*, the development properties and property held for sale held by the respective PRC subsidiary would need to be recorded at fair value at the respective dates of acquisition, which is higher than the historical costs. Accordingly, this resulted in a corresponding fair value adjustment to the cost of property development sales when the Group recorded sales for their sold properties during 1H2015.

The quantum of the total fair value adjustments to our cost of property development sales over time would be limited to the aggregate of the excess of attributed fair values of these properties over the corresponding historical book values at the time of acquisition of approximately RMB488.7 million (excluding the offset against estimated deferred tax liability adjustment of approximately RMB122.2 million). As the cumulative fair value adjustments to our cost of property development sales amounted to RMB217.6 million as at end of 1H2015, 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 RMB271.1 million **(excluding the offset against estimated deferred tax liability adjustment of approximately RMB67.8 million, which will result in net future fair value adjustments of approximately RMB203.3 million only)**.

In terms of gross profit margin, our overall gross profit margin decreased from 54% in 1H2014 to 47% in 1H2015, as a result of decrease in gross profit contributions from the property development sales as less than previous corresponding period, only one villa was recognized revenue in 1H2015, which was with higher gross margin.

Cost of sales increased by RMB7.1 million or 76% from RMB9.3 million in 2Q2014 to RMB16.4 million in 2Q2015. This was mainly due to increase in cost of property development sales caused by the increase of GFA sold and recognised.

The overall gross profit margin decreased from 47% in 2Q2014 to 43% in 2Q2015, which was mainly due to decrease in gross profit contributions from the property development sales as less than previous corresponding period, only one villa was recognized revenue in 2Q2015, which was with higher gross margin.



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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):*

There were no significant variances in the cost of sales for property rental and property management services as compared with the corresponding period of 2Q2014.

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 55% in 1H2014 and 47% in 1H2015 respectively, as well as 48% in 2Q2014 and 43% in 2Q2015. 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 of miscellaneous surcharge income from property management services.

Other income increased by RMB1.6 million or 59% in 1H2015 as compared with the prior period, which was mainly caused by a increase of interest income from restricted cash and cash equivalents.

#### **Selling and Distribution Expenses**

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

The selling and distribution expenses decreased by RMB9.9 million or 63% in 1H2015 and RMB6.7 million or 69% in 2Q2015 as compared with the respective periods of last year. The higher selling and distribution expenses in 1Q2014 and 1H2014 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).



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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):*

#### **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..

The Administrative expenses increased by RMB3.2 million or 13% in 1H2015 and RMB1.6 million or 14% in 2Q2015 as compared with the respective periods of last year. It 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.

#### **Finance Costs**

Finance cost, net of capitalised interest, recorded an increase of RMB25.7 million in 1H2015 and RMB10.7 million in 2Q2015 over the respective periods in FY2014. The substantial increase in finance costs in 1H2015 was mainly due to the increase in average loan balance from RMB1,348.0 million in 1H2014 to RMB2,109.1 million in 1H2015 (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.

#### **Amortisation**

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

#### **Depreciation**

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

Depreciation was almost equivalent as to last period.



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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):*

#### **Income Tax (Expenses) Credit**

Income tax includes statutory enterprise income tax and land appreciation tax ("LAT"). Income tax decreased by RMB4.1 million and increased by RMB2.6 million in 1H2015 and 2Q2015 respectively as compared with the corresponding periods in FY2014. The lower income tax expenses in 1H2015 were mainly due to decrease of provision of LAT and statutory enterprise income tax for property development sales, in line with a lower GFA recognised as aforesaid. And for the higher income tax expenses in 2Q2015 was in line with the increase of revenue recognized in 2Q2015 compared with 2Q2014.

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

#### **Net Loss**

With the above, the Group recorded a net loss of RMB80.1 million in 1H2015 and RMB36.3 million in 2Q2015 respectively. The Proforma Consolidated Financial Statements, which excludes the notional adjustment, effects a better comparability of the Group's performance, has presented a net loss of RMB79.8 million in 1H2015 and RMB36.2 million in 2Q2015 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 restricted cash and cash equivalents. Our current assets as at the end of FY2014 and 1H2015 amounted to approximately RMB3,054.9 million and RMB3,128.6 million respectively.

The largest component of our current assets was development properties, which amounted to approximately RMB1,708.4 million and RMB1,894.3 million as at the end of FY2014 and 1H2015 respectively. Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 56% and 61% of our current assets as at the end of FY2014 and 1H2015 respectively. The RMB185.9 million or 11% 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 (continued):*

Properties held for sales amounted to RMB431.0 million and RMB424.6 million as at the end of FY2014 and 1H2015 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 Group's cash and bank balances as at 30 June 2015 decreased by RMB72.0 million or 51% to RMB68.3 million as compared with 31 December 2014, which was primarily attributable to the net cash used in financing activities of RMB42.1 million, and net cash used in operating activities of RMB24.0 million and investing activities of RM5.8 million in 1H2015 respectively.

In addition, restricted cash stood at RMB235.7 million and RMB324.8 million as at end of 1H2015 and FY2014 respectively. The decrease was due to the cancellation of RMB89.1 million pledged cash along with the repayment of bank loans.

Trade and other receivables stood at approximately RMB444.6 million and RMB502.6 million at the end of FY2014 and 1H2015 respectively. The increases of RMB58.0 million in trade and other receivables were mainly due to addition of advance to supplier of RMB42.6 million for the development properties.

Amount due from customers for contract works stood at RMB1.4 million and RMB1.0 million as at end of FY2014 and 1H2015 respectively. These amounts pertain to construction contracts that have yet to be billed to our construction contract customers.

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

Non-current assets comprised mainly investment properties, joint venture, property, plant and equipment. As at the end of FY2014 and 1H2015, our non-current assets had an aggregate net book value of approximately RMB2,304.3 million and RMB2,310.9 million respectively.

The investment properties are held to earn rental income and/or for capital appreciation. Our investment properties comprised mainly our Debao Hotel Complex together with the adjacent land and underground car parks, commercial premises located in Debao Garden and Jiangnan Mingju, car parks located in Debao Garden, and plant, equipment and land use rights in Danzao and Shishan, Shanshui Longpan Hotel buildings, Tianjin Boulevard buildings and Sihui City Mall. The net book value of our investment properties was approximately RMB2,001.7 million and RMB2,010.4 million as at the end of FY2014 and 1H2015, which accounted for approximately both 87% of our non-current assets as at the end of FY2014 and 1H2015 respectively. The increase of RMB8.7 million in the investment properties was the redevelopment expenditure of Tianjin Boulevard project.

The prepaid land use right, and property, plant and equipment decreased by RMB1.6 million was mainly due to amortisation/depreciation charge of RMB1.6 million for 1H2015.

The joint venture represents the Group's proportionate contribution to purchase of lands for the joint venture.





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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):*

#### **Current liabilities**

Trade and other payables, which mainly comprised of amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB808.2 million and RMB1126.9 million at the end of FY2014 and 1H2015 respectively. The increase of RMB318.7 million in trade and other payables was mainly due to (a) addition of RMB210.5 million from customers for pre-sales of properties that did not meet sales recognition criteria; and (b) an increase of RMB90.5 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 Project.

#### **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 the 45% shareholding held by the minority interest in a PRC subsidiary, Sihui Debao Jiangnan Mingju Property Development Co., Ltd, 32% shareholding held by the minority interest in a PRC subsidiary, Guangxi Hezhou Deneng Mining Co., Ltd, and 42.2% shareholding held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co, Ltd.

At the end of FY2014 and 1H2015, shareholders' equity amounted to RMB1,601.7 million and RMB1,513.6 million respectively. The decrease in equity was mainly due to the loss incurred in the current period and dividend distribution. The final one-tier-tax-exempt dividend of 0.23 Singapore cents per ordinary share for the financial year ended 31 December 2013 has been distributed in May 2015, and the dividend was amounting to RMB1,206.1. (Details please refer to the Company's announcement dated on 24 April 2015).



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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):*

**Cash flow statement**

Our Group has a net cash outflow from operating activities of RMB24.0 million during 1H2015, which comprised of operating cash outflows before movements in working capital of RMB13.7 million, adjusted for net working capital used from operations of RMB60.6 million and net of finance cost and interest received as well as income tax paid of RMB54.3 million and RMB16.6 million respectively. The net working capital outflows were mainly due to the increase in development properties, trade and other receivables as explained above, partially offset by increase in trade and other payables (also as explained above) during the current reporting period.

The net cash outflows from investing activities of RMB5.8 million mainly pertained to the addition of investment properties partially offset by disposal of other investment in 1H2015.

The Group recorded a net cash outflow from financing activities of RMB42.1 million during 1H2015. This was mainly due to drawdown of new loans raised of RMB445.3 million and the cancellation of RMB89.1 million pledged cash along with the repayment of bank loans, partially offset by repayment of RMB567.2 million bank and other loan and dividend payment of RMB12.1.

With the above, the Group has a net decrease in cash and cash equivalents of RMB71.9 million for 1H2015.

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 2014 and period ended 31 March 2015.



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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 decrease of 3.44% during the current reporting period, from RMB8,699 per sqm<sup>(1)</sup> in 1H2014 to RMB8,400 per sqm<sup>(1)</sup> in 1H2015. However, transaction volumes have increased from 3.6930 million sqm<sup>(1)</sup> in 1H2014 to 6.8627 million<sup>(1)</sup> in 1H2015, a increase of approximately 85.83%.

### **Project Updates**

As at 30 June 2015, the Group has three development projects with a gross floor area (“GFA”) of approximately 0.96 million sqm under development and approximately 0.43 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 30 June 2015. 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.

#### **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 45,700 sqm have contracted intention to purchase as at 30 June 2015.

#### **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 21,500 sqm have contracted intention to purchase as at 30 June 2015.



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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).*

### 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 30 June 2015 and some of those completed units have been handed over to the buyers since early July 2012.

The accumulated sales/pre-sales<sup>(2)</sup> status of our projects as at 30 June 2015 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	734,962	52,275	14,060	99%-100%
Shanshui Longpan Phase 1(ii) Villas	220,829	13,771	16,036	100%
Jin Long Garden – South Zone	776,008	76,377	10,160	100%
Jiangnan Minju Phases 5 and 6	985,097	144,781	6,804	100%
Shanshui Longpan Phase 3 High Rises	226,252	45,719	4,949	17%
Sihui City Mall	178,410	21,480	8,306	95%
<b>Total</b>	<b>3,121,558</b>	<b>354,403</b>	<b>8,808</b>	<b>NA</b>

The sales/pre-sales<sup>(2)</sup> of our projects for 1H2015 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	42,681	2,624	16,266	99%-100%
Shanshui Longpan Phase 1(ii) Villas	34,212	2,561	13,359	100%
Jin Long Garden – South Zone	29,613	3,671	8,067	100%
Jiangnan Minju Phases 5 and 6	-	-	-	100%
Shanshui Longpan Phase 3 High Rises	76,098	16,120	4,721	17%
Sihui City Mall	48,750	9,307	5,238	95%
<b>Total</b>	<b>231,354</b>	<b>34,283</b>	<b>6,748</b>	<b>NA</b>



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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<sup>(2)</sup> of our projects for 2Q2015 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	30,849	1,865	16,541	99%-100%
Shanshui Longpan Phase 1(ii) Villas	22,017	1,710	12,875	100%
Jin Long Garden – South Zone	25,163	3,254	7,733	100%
Jiangnan Minju Phases 5 and 6	-	-	-	100%
Shanshui Longpan Phase 3 High Rises	39,886	9,037	4,414	17%
Sihui City Mall	24,513	4,931	4,971	95%
<b>Total</b>	<b>142,428</b>	<b>20,797</b>	<b>6,848</b>	<b>NA</b>

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Minju Phases 5 and 6 in 1H2015 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 1H2015 when handed over.

The Board of Directors are of the view that market condition will remain challenging.

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

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

## 11. Dividend

### (a) Current Financial Period Reported on

None.

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

None.

### (c) Date payable

Not applicable.

### (d) Books closure date

Not applicable.



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

There is no dividend has been declared/recommended.

13. *Interested Person Transactions*

	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)	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000)
Name of interested person	1H2015	1H2015
Zhong Yu Xin <sup>(1)</sup>	S\$ 378,260 <sup>(4)</sup>	-
Yuan Le Sheng <sup>(2)</sup>	S\$ 115,805 <sup>(5)</sup>	-
Yuan Jia Jun <sup>(3)</sup>	S\$ 115,805 <sup>(5)</sup>	-

Notes:

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

(2) *Mr Yuan Le Sheng is our Executive Chairman and CEO.*

(3) *Mr Yuan Jia Jun is the son of our Executive Chairman and CEO, Mr Yuan Le Sheng and our substantial shareholder and Non-Executive Director, Mdm Zheng Li Hua.*

(4) *Lease of Debao Hotel.*

(5) *Pre-sale of properties.*

BY ORDER OF THE BOARD

Yuan Le Sheng  
Executive Chairman and CEO

13 August 2015



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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 half year ended 30 June 2015 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

13 August 2015