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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018 (“3Q2018 and 9M2018”)

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)					
	3Q2018	3Q2017	% Change	9M2018	9M2017	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	9,302	203,274	(95%)	85,154	240,056	(65%)
Cost of sales	(4,261)	(211,847)	(98%)	(62,260)	(242,149)	(74%)
Gross profit/(loss)	5,041	(8,573)	(159%)	22,894	(2,093)	(1194%)
Other (loss)/income	(39,633)	2,328	(1802%)	(31,906)	143,766	(122%)
Selling and distribution expenses	(789)	(439)	80%	(1,986)	(6,426)	(69%)
Administrative expenses	(16,063)	(12,786)	26%	(47,823)	(30,499)	57%
Finance costs	(38,788)	(3,613)	974%	(54,020)	(49,754)	9%
(Loss)/Profit before income tax	(90,232)	(23,083)	291%	(112,841)	54,994	(305%)
Income tax expenses	(68)	(51)	33%	(171)	(406)	(58%)
Net (loss)/profit for the period	(90,300)	(23,134)	290%	(113,012)	54,588	(307%)
Other comprehensive (loss)/income						
Currency translation difference	4,722	3,738	26%	(14,848)	7,720	(292%)
Total Comprehensive (loss)/profit for the period	(85,578)	(19,396)	341%	(127,860)	62,308	(305%)
(Loss)/Profit attributable to:						
Equity holders of the Company	(88,050)	(19,180)	359%	(106,509)	63,075	(269%)
Non-controlling interest	(2,250)	(3,954)	(43%)	(6,503)	(8,487)	(23%)
	(90,300)	(23,134)	290%	(113,012)	54,588	(307%)
Total comprehensive (loss)/profit attributable to:						
Equity holders of the Company	(83,328)	(15,442)	440%	(121,357)	70,795	(271%)
Non-controlling interest	(2,250)	(3,954)	(43%)	(6,503)	(8,487)	(23%)
	(85,578)	(19,396)	341%	(127,860)	62,308	(305%)



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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)					
	3Q2018	3Q2017	% Change	9M2018	9M2017	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	9,302	203,274	(95%)	85,154	240,056	(65%)
Cost of sales	(4,261)	(211,847)	(98%)	(62,260)	(240,813)	(74%)
Gross profit/(loss)	5,041	(8,573)	(159%)	22,894	(757)	(3124%)
Other (loss)/income	(39,633)	2,328	(1802%)	(31,726)	143,432	(122%)
Selling and distribution expenses	(789)	(439)	80%	(1,986)	(6,426)	(69%)
Administrative expenses	(16,063)	(12,786)	26%	(47,823)	(30,499)	57%
Finance costs	(38,788)	(3,613)	974%	(54,020)	(49,754)	9%
(Loss)/Profit before income tax	(90,232)	(23,083)	291%	(112,661)	55,996	(301%)
Income tax expenses	(68)	(51)	33%	(171)	(406)	(58%)
Net (loss)/profit for the period	(90,300)	(23,134)	290%	(112,832)	55,590	(303%)
Other comprehensive (loss)/income						
Currency translation difference	4,722	3,738	26%	(14,848)	7,720	(292%)
Total Comprehensive (loss)/profit for the period	(85,578)	(19,396)	341%	(127,680)	63,312	(302%)
(Loss)/Profit attributable to:						
Equity holders of the Company	(88,050)	(19,180)	359%	(106,329)	64,077	(266%)
Non-controlling interest	(2,250)	(3,954)	(43%)	(6,503)	(8,487)	(23%)
	(90,300)	(23,134)	290%	(112,832)	55,590	(303%)
Total comprehensive (loss)/profit attributable to:						
Equity holders of the Company	(83,328)	(15,442)	440%	(121,177)	71,799	(269%)
Non-controlling interest	(2,250)	(3,954)	(43%)	(6,503)	(8,487)	(23%)
	(85,578)	(19,396)	341%	(127,860)	63,312	(302%)



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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 Singapore Exchange Securities Trading Limited (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 the 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 subsidiaries 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 third quarter and nine months ended 30 September 2017 (“**3Q2017 and 9M2017**”) and for the third quarter and nine months ended 30 September 2018 (“**3Q2018 and 9M2018**”), 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 3Q2017, 9M2017, 3Q2018 and 9M2018 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 3Q2017, 9M2017, 3Q2018 and 9M2018 (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					
	3Q2018	3Q2017	% Change	9M2018	9M2017	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	1,260	856	47%	2,375	2,568	(8%)
Amortization	-	56	(100%)	-	168	(100%)
Interest expense	38,788	3,613	974%	54,020	49,754	9%
Interest income	(52)	(121)	(57%)	(774)	(572)	35%
Exchange (gain)/loss	(4,722)	(3,738)	26%	14,848	(7,720)	(292%)

	Proforma Consolidated Statement of Comprehensive Income					
	3Q2018	3Q2017	% Change	9M2018	9M2017	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	616	856	(28%)	2,375	2,568	(8%)
Amortization	-	56	(100%)	-	168	(100%)
Interest expense	38,788	3,613	974%	54,020	49,754	9%
Interest income	(52)	(121)	(57%)	(774)	(572)	35%
Exchange (gain)/loss	(4,722)	(3,738)	26%	14,848	(7,722)	(292%)



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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	
	30.9.2018 RMB'000	31.12.2017 RMB'000	30.9.2018 RMB'000	31.12.2017 RMB'000	30.9.2018 RMB'000	31.12.2017 RMB'000
Assets						
<u>Current assets</u>						
Cash and bank equivalents	44,960	46,166	44,960	46,166	40	100
Restricted cash and cash equivalents	195,162	205,031	195,162	205,031	-	-
Trade and other receivables	888,391	1,002,161	888,392	1,002,161	228,928	391,563
Amount due from related parties	19,113	45,092	19,113	45,092	-	-
Due from subsidiaries	-	-	-	-	715,534	907,307
Inventories	256	255	256	255	-	-
Property held for sales	12,727	139,800	4,033	131,108	-	-
Development properties	1,240,571	1,094,808	984,822	839,059	-	-
Dividends receivable	-	-	-	-	23,646	-
Total current assets	2,401,180	2,533,313	2,136,738	2,268,872	968,148	1,298,970
<u>Non-current Assets</u>						
Prepaid land use right	1,730	4,141	1,730	4,141	-	-
Property, plant and equipment	19,482	21,017	16,831	18,366	-	-
Investment properties	2,044,372	2,042,066	2,044,372	2,042,066	-	-
Joint venture	-	-	-	(179)	-	-
Trade and other receivables	21,855	-	21,855	-	-	-
Investment in subsidiaries	-	-	-	-	1,018	1,018
Other investment	4,625	1,300	4,625	1,300	-	-
Deferred tax assets	17,309	17,509	17,309	17,509	-	-
Goodwill	4,192	4,192	4,192	4,192	-	-
Total non-current assets	2,113,565	2,090,225	2,110,914	2,087,395	1,018	1,018
Total assets	4,514,745	4,623,538	4,247,652	4,356,267	969,166	1,299,988
Liabilities and shareholders' equity						
<u>Current liabilities</u>						
Bank and other loans	332,435	618,067	332,435	618,067	-	-
Trade and other payables	1,025,080	1,066,364	1,025,080	1,066,364	104,038	186,494
Long term payable-current portion	24,779	24,779	24,779	24,779	-	-
Amount due to related parties	-	26,426	-	26,426	-	17,721
Due to subsidiaries	-	-	-	-	-	320,562
Tax payables	90,739	130,404	90,739	130,404	34,290	37,623
Total current liabilities	1,473,033	1,866,040	1,473,033	1,866,040	138,328	562,400
<u>Non-current liabilities</u>						
Bank and other loans	1,378,291	1,016,600	1,378,291	1,016,600	-	-
Long term payable	146,809	152,809	149,809	152,809	-	-
Deferred tax liabilities	293,391	304,610	227,823	239,042	-	-
Total non-current liabilities	1,818,491	1,474,019	1,752,923	1,408,451	-	-
Shareholders' equity	1,223,221	1,283,479	1,021,696	1,081,776	830,838	737,588
Total liabilities and Shareholders' equity	4,514,745	4,623,538	4,247,652	4,356,267	969,166	1,299,988



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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 the properties 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 the 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 the Actual Consolidated Financial Statements and the unaudited Proforma Consolidated Financial Statements as mentioned in the preceding section. Please refer to item 1(a)(i) Explanatory Notes for more details.

The Group reviewed and assessed the classification of the Group's investment in joint arrangements in accordance with the requirements of FRS 111. The Group concluded that investment in Jin Long Garden, which was classified as a jointly controlled operation under FRS 31 and was previously accounted using the equity method, should be accounted to recognise its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly) (Please refer to the Company's announcement dated on 2 April 2015 for more 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)	
	30.9.2018	31.12.2017
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:-		
Secured	332,435	618,067
Unsecured	-	-
Sub-total (1)	332,435	618,067
Amount repayable after one year		
Secured	1,378,291	1,016,600
Sub-total (2)	1,378,291	1,016,600
Total debt (1)+(2)	1,710,726	1,634,667



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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 RMB12,000,000 (2017 : Nil) with an effective interest rate from 4.35% to 8.5% (2017 : Nil) per annum, is secured by investment properties and repayable in 2019.
2. Loans from a lender amounting to RMB3,800,000(2017 : Nil) with an effective interest rate from 4.35% to 8.5% (2017 : Nil) per annum, is secured by restricted cash and cash equivalents and repayable in 2019.
3. Loans from a lender amounting to RMB15,000,000 (2017 : RMB15,000,000) with an effective interest rate from 5.66% to 7.35% (2017 : 5.66% to 7.35%) per annum, is secured by investment properties and repayable in 2018(2017 : repayable in 2017).
4. Loans from a lender amounting to RMB351,658,000 (2017 : RMB166,005,000) with an effective interest rate from 6.86% to 7.35% (2017 : 5.66% to 6.09%) per annum, is secured by a shareholder of the Group and the subsidiaries, land use rights of the Group, property, plant and equipment and investment properties and repayable in 2032 to 2036 (2017 : repayable in 2017).
5. Loans from a lender amounting to RMB172,822,000 (2017 : RMB168,210,000) with an effective interest rate from 3.00% to 3.30% (2017 : 1.90% to 3.40%) per annum, is secured by restricted cash and cash equivalents and repayable in 2018 (2017 : repayable in 2017).
6. Loans from a lender amounting to RMB15,000,000 (2017 : Nil) with an effective interest rate at 5.01% to 5.22%(2017 : Nil) per annum, is secured by investment properties and repayable in 2019.

(b) Other loans

1. Loans from a lender amounting to RMB1,032,555,000 (2017 : RMB1,002,000,000) with an effective interest rate from 9.92% to 14.00% (2017 : 9.92% to 12.70%) per annum and is secured by a shareholder of the Group and the subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties (2017: secured by a director of the Group and subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties). The current portion of this loan amounted to RMB Nil (2017 : Nil).
2. A loan from a lender amounting to RMB12,486,000 (2017 : RMB12,486,000) is interest free, unsecured and repayable on demand.
3. Loans were raised together with a contractor for a total of RMB9,577,000 with an interest rate ranging from 7% to prime rate, repayable within one to ten years, secured by certain land use rights.
4. During this quarter, to support the Group's operating cash flows requirements, the Group obtained loans from individuals and other non-financial institutions amounting to RMB85,828,000. These loans bore interest at an average annual interest rate ranging from 18% to 48% and secured either by a guarantee provided by a subsidiary or over properties held for sale, land use rights or investment properties of the Group, and repayable within the next twelve months.



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5. 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			
	3Q2018	3Q2017	9M2018	9M2017
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss)/Profit before tax	(90,232)	(23,083)	(112,841)	54,994
Adjustments for:				
Depreciation and amortisation	1,260	912	2,375	2,736
Interest expense	38,788	3,613	54,020	49,754
Interest income	(52)	(121)	(774)	(572)
Unrealised exchange (loss)/gain	4,722	3,738	(14,848)	7,720
Operating (loss)/gain before working capital changes	(45,514)	(14,941)	(72,068)	114,632
Trade and other receivables	121,242	196,730	145,762	87,015
Development properties	(126,720)	145,537	(145,763)	32,209
Property held for sales	126,266	-	127,073	-
Amount due from customers for contract work	-	-	-	949
Inventories	-	1,632	(1)	10
Trade and other payables	1,075	(279,111)	(42,137)	(94,725)
Amounts due to related parties, net	(447)	-	(447)	2,926
Net cash generated from operations	75,902	49,847	12,419	143,016
Interest paid	(38,788)	(3,613)	(54,020)	(49,754)
Interest received	52	121	774	572
Income taxes paid	(2,899)	(44)	(39,836)	(3,231)
Net cash (used in)/generated from operating activities	34,267	46,311	(80,663)	90,603
Cash flows from investing activities				
Purchases of properties, plant and equipment	(315)	(340)	(840)	(2,798)
Addition in investment property	(293)	-	(2,306)	-
Proceeds from disposal of subsidiary	-	124,118	-	468,959
Disposal of other investment	(3,257)	-	(3,325)	2,849
Net cash (used in)/generated from investing activities	(3,865)	123,778	(6,471)	469,010
Cash flows from financing activities				
Fixed deposit & restricted cash	(43)	145,272	9,869	159,949
Drawing/(Repayment) of bank and other loans, net	(27,926)	(309,379)	76,059	(778,190)
Net cash generated from/(used in) financing activities	(27,969)	(164,107)	85,928	(618,241)
Net (Decrease)/increase in cash and cash equivalents	2,433	5,982	(1,206)	(58,628)
Cash and cash equivalents at the beginning of the periods	42,527	23,838	46,166	88,448
Cash and cash equivalents at the end of the periods	44,960	29,820	44,960	29,820



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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			
	3Q2018	3Q2017	9M2018	9M2017
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss)/Profit before tax	(90,232)	(23,083)	(112,661)	55,996
Adjustments for:				
Depreciation and amortisation	616	912	2,375	2,736
Interest expense	38,788	3,613	54,020	49,754
Interest income	(52)	(121)	(774)	(572)
Unrealised exchange (loss)/gain	4,722	3,738	(14,848)	7,722
Operating (loss)/gain before working capital changes	(46,158)	(14,941)	(71,888)	115,636
Trade and other receivables	121,221	196,730	145,761	172,113
Development properties	(125,877)	145,537	(145,763)	(54,185)
Property held for sales	126,268	-	127,075	2,926
Amount due from customers for contract work	-	-	-	949
Inventories	-	1,632	(1)	10
Trade and other payables	(2,315)	(279,111)	(42,318)	(16,282)
Amounts due to related parties, net	(447)	-	(447)	2,926
Net cash generated from operations	72,692	49,847	12,419	221,167
Interest paid	(38,788)	(3,613)	(54,020)	(49,754)
Interest received	52	121	774	572
Income taxes paid	(2,899)	(44)	(39,836)	(3,231)
Net cash (used in)/generated from operating activities	31,057	46,311	(80,663)	168,754
Cash flows from investing activities				
Purchases of properties, plant and equipment	(315)	(340)	(840)	(2,798)
Addition in investment property	(293)	-	(2,306)	-
Proceeds from disposal of subsidiary	-	124,118	-	468,959
Disposal of other investment	(47)	-	(3,325)	2,849
Net cash (used in)/generated from investing activities	(655)	123,778	(6,471)	469,010
Cash flows from financing activities				
Fixed deposit & restricted cash	(43)	145,272	9,869	159,949
Drawing/(repayment) of bank and other loans, net	(27,926)	(309,379)	76,059	(856,340)
Net cash generated from/(used in) financing activities	(27,969)	(164,107)	85,928	(696,391)
Net (decrease)/increase in cash and cash equivalents	2,433	5,982	(1,206)	(58,628)
Cash and cash equivalents at the beginning of the periods	42,527	23,838	46,166	88,448
Cash and cash equivalents at the end of the periods	44,960	29,820	44,960	29,820

Explanatory Notes:

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



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

	Group - Actual CFS								
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2017	909,831	229,543	(152)	23,887	86,724	17,788	1,267,621	2,678	1,270,299
Total comprehensive profit/(loss) for the period	-	63,077	7,720	-	-	-	70,797	(8,487)	62,310
Disposal of subsidiaries	-	-	-	-	-	(17,788)	(17,788)	-	(17,788)
Balance as at 30 September 2017	909,831	292,620	7,568	23,887	86,724	-	1,320,630	(5,809)	1,314,821
Balance as at 1 January 2018	909,831	263,124	11,611	23,887	86,726	-	1,295,179	(11,699)	1,283,481
Total comprehensive loss for the period	-	(106,509)	(14,848)	-	-	-	(121,357)	(6,503)	(127,860)
Acquisition of subsidiary	-	-	-	-	-	-	-	67,600	67,600
Balance as at 30 September 2018	909,831	156,617	(3,238)	23,887	86,726	-	1,173,823	49,398	1,223,221

	Group - Proforma CFS									
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Proforma Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2017	909,831	164,410	(154)	(148,414)	31,442	86,724	21,707	1,065,546	2,678	1,068,224
Total comprehensive profit/(loss) for the period	-	64,077	7,722	-	-	-	-	71,799	(8,487)	63,312 8
Disposal of subsidiaries	-	-	-	-	-	-	(17,788)	(17,788)	-	(17,788)
Balance as at 30 September 2017	909,831	228,487	7,568	(148,414)	31,442	86,724	3,919	1,119,557	(5,809)	1,113,748
Balance as at 1 January 2018	909,831	198,361	11,610	(148,414)	31,442	86,726	3,919	1,093,475	(11,699)	1,081,776
Total comprehensive loss for the period	-	(106,329)	(14,848)	-	-	-	-	(121,177)	(6,503)	(127,680)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	67,600	67,600
Balance as at 30 September 2018	909,831	92,032	(3,238)	(148,414)	31,442	86,726	3,919	972,298	49,398	1,021,696



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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.

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
Balance as at 1 January 2017	909,831	(297,821)	(10,746)	601,264
Total comprehensive profit for the period	-	431,913	15,520	447,433
Balance as at 30 September 2017	909,831	134,092	4,774	1,048,697
Balance as at 1 January 2018	909,831	(66,187)	(2,153)	841,491
Total comprehensive(loss)/profit for the period	-	(36,410)	25,757	(10,653)
Balance as at 30 September 2018	909,831	(102,597)	23,604	830,838

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 30 September 2018 and 31 December 2017 respectively.

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

	30.09.2018		31.12.2017	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	74,999,688	143,750

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

Nil.

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

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



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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 applied the same accounting policies and methods of computation in its unaudited financial statements for 3Q2018 and 9M2018 as those of the audited financial statements for the year ended 31 December 2017, as well as all the applicable Financial Reporting Standards (the "FRS") which became effective for financial years beginning on or after 1 January 2018. The adoption of all new and revised FRSs has no material effect on the 3Q2018 and 9M2018 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			
	3Q2018	3Q2017	9M2018	9M2017
Profit (Loss) Per Share				
Basic (a)	(117.40)	(25.57)	(142.01)	84.10

RMB fens	Proforma CFS			
	3Q2018	3Q2017	9M2018	9M2017
Profit (Loss) Per Share				
Basic (a)	(117.40)	(25.57)	(141.77)	85.44

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

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

RMB	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.9.2018	31.12.2017	30.9.2018	31.12.2017	30.9.2018	31.12.2017
Net asset value per ordinary share based on issued share capital at end of financial year*	16.31	17.11	13.62	14.42	11.08	9.83

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



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

Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial Statements and our Proforma Consolidated Financial Statements for 3Q2018 and 9M2018

	30.9.2018		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
Balance sheet items			
Property held for sales	12,727	4,033	8,694
Development properties	1,240,571	984,822	255,749
Property, plant and equipment	19,482	16,831	2,651
Deferred tax liabilities	293,391	227,823	65,568
Shareholders' equity	1,223,221	1,021,696	201,525

	3Q2018		Difference	9M2018		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive income statements items						
Cost of sales	(4,261)	(4,261)	-	(62,260)	(62,260)	-
Other income	(39,633)	(39,633)	-	(31,906)	(31,726)	(180)
Administrative expenses	(16,063)	(16,063)	-	(47,823)	(47,823)	-
Income tax expense	(68)	(68)	-	(171)	(171)	-
Loss for the period	(90,300)	(90,300)	-	(113,012)	(112,832)	(180)

* 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

Our Group's revenue decreased by RMB154.9 million or 65% from RMB240.1 million in 9M2017 to RMB85.2 million in 9M2018. The decrease was mainly attributed to a lower property sales during the period pending the launch of the next batch of properties, together with the 3Q2017 revenue which included a one-off disposal of an investment property located in Dan Zao Town of Foshan, and partially offset by an increase in property service income and property rental income.

Cost of Sales and Gross Profit

Our cost of sales decreased by RMB179.9 million or 74% from RMB242.1 million in 9M2017 to RMB62.2 million in 9M2018. This was mainly caused by a decrease in property sales.

In terms of gross profit margin, our overall gross profit margin increased from -0.9% in 9M2017 to 26.9% in 9M2018, as a result of an increase in the proportion of property rental income in total revenue, with a higher gross profit margin.

With the exclusion of the non-cash fair value adjustment on the cost of property development sales due to the application of SFRS 103 (the "**SFRS 103 Adjustment**"), the Proforma gross profit margins attained are at -0.3% and 26.9% in 9M2017 and 9M2018.

Other Income/Loss

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

Other income decreased by RMB175.2 million or approximately 122% from RMB143.4 million in 9M2017 to other expenses of RMB31.7 million in 9M2018, which was mainly caused by an one-off disposal gain of 100% shareholdings in Infinity Real Estate Holdings Pte. Ltd. (together with its wholly-owned subsidiary, Foshan Sanshui Nengrun Property Development Co., Ltd.) and Foshan Sanshui Fangao Land Co., Ltd which happened in 9M2017 and an increase in foreign exchange loss due to the depreciation of Malaysian Ringgit against the US dollar as our Group had invested in our Malaysian projects financed by overseas facilities in US dollars.

Selling and Distribution Expenses

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

The selling and distribution expenses decreased by RMB4.4 million in 9M2018 compared with the previous corresponding period. The lower selling and distribution expenses in 9M2018 were in line with the lower sales for this 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):*

Administrative Expenses

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

Administrative expenses increased by RMB17.3 million or 57% from RMB30.5 million in 9M2017 to RMB47.8 million in 9M2018. It is mainly attributable to an increase in foreign exchange loss due to the depreciation of RMB against US dollar and other currencies.

Finance Costs

Finance costs, net of capitalised interest, recorded an increase of RMB 35.1 million and RMB4.3 million in 3Q2018 and 9M2018 respectively mainly due to an advance repayment of loan pursuant to the disposal of a subsidiary in 2017 and a new loan raised in 2018 which is mainly a working capital loan with higher effective interest rate.

Amortisation

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

Depreciation

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

Depreciation is almost equivalent as to that in the last period.

Income Tax Expenses

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”).

Net Profit

The Group recorded a net loss of RMB113.0 million in 9M2018, compared to a net profit of RMB54.6 million in 9M2017. The Proforma CFS, which without the Notional Adjustment this period, with a same comparability of the Group's performance, has presented a net loss of RMB112.8 million in 9M2018 and a net profit of RMB55.6 million in 9M2017 respectively.



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

Statement of Financial Position

Current Assets

Current assets comprise mainly development properties, cash and bank balances, trade and other receivables and amount due from customers for contract works. Our current assets as at the end of FY2017 and 9M2018 amounted to approximately RMB2,533.3 million and RMB2,401.0 million respectively.

The largest component of our current assets were trade and other receivables, property held for sales, and development properties. In total, these amounted to approximately RMB 2,236.7 million and RMB2,141.7 million as at the end of FY2017 and 9M2018 respectively.

Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 43.2% and 51.7% of our current assets as at the end of FY2017 and 9M2018 respectively.

Properties held for sales which include properties of Jiangnan Mingju, Sihui City Mall and Jin Long Garden.

The Group's cash and bank balances as at 30 September 2018 decreased by RMB1.2 million or 2.6% to RMB45.0 million as compared with 31 December 2017, which was primarily attributable to the net use in with operating activities and investing activities of RMB87.1 million, which offset by net cash in from financing activities of RMB85.9 million.

In addition, restricted cash stood at RMB205.0 million and RMB195.12 million as at end of FY2017 and 9M2018 respectively.

Trade and other receivables stood at approximately RMB1,002.2 million and RMB888.4 million at the end of FY2017 and 9M2018 respectively. The decrease of RMB113.8 million in trade and other receivables was mainly due to having collected the receivables from the construction contracts.

Non-current assets

Non-current assets comprised mainly investment properties, plant and equipment. As at the end of FY2017 and 9M2018, our non-current assets had an aggregate net book value of approximately RMB2,090.2 million and RMB2,113.6 million respectively.

The investment properties are held to earn rental income and/or for capital appreciation. Our investment properties is comprised of mainly our Debao Hotel Complex together with the adjacent land and underground carparks, commercial premises located in Debao Garden and Jiangnan Mingju, carparks located in Debao Garden, Tianjin Boulevard buildings and Sihui City Mall. The net book value of our investment properties was approximately RMB2,042.1 million and RMB2,044.4 million as at the end of FY2017 and 9M2018, which accounted for approximately 97.7% and 96.7% of our non-current assets as at the end of FY2017 and 9M2018 respectively.



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

The prepaid land use right, and property, plant and equipment decreased by RMB2.4 million mainly due to amortisation/depreciation charge for 9M2018 which was partially offset by the purchase of office equipment and vehicle.

Current liabilities

Trade and other payables, which mainly comprised amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB1,066.4 million and RMB1,001.1 million at the end of FY2017 and 9M2018 respectively. The decrease of RMB65.3 million in trade and other payables was mainly due to payment to sub-contractors.

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 Deneng 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 ChuangXinTian Hotel Management Co, Ltd,
- d) 38% shareholding held by the minority interest in a Malaysia subsidiary, Profit Consortium Sdn. Bhd, and
- e) 50% shareholding held by the minority interest in a Malaysia subsidiary, Poly Ritz Green (Malaysia) Sdn. Bhd.

As at the end of FY2017 and 9M2018, the shareholders' equity amounted to RMB1,283.5 million and RMB1,223.2 million respectively. The decrease in equity was mainly due to the loss within this period.

Cash flow statement

Our Group has a net cash outflow from operating activities of RMB80.7 million in 9M2018, which comprised operating cash outflows before movements in working capital of RMB7208 million, in addition to net working capital generated from operations of RMB84.4 million, and adjusted by net use of finance cost and interest received as well as income tax of RMB93.1 million. The net working capital inflows were mainly due to the decrease in property held for sales partially offset the decrease in trade and other payables during the current reporting period.

The net cash outflow from investing activities is RMB6.5 million.

The Group recorded a net cash inflow from financing activities of RMB85.9 million during 9M2018. This was mainly due to proceeds from bank and other loans.

With the above, the Group has a net decrease in cash and cash equivalents of RMB1.2 million for 9M2018.



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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 2017.

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

The Political Bureau of the CPC Central Committee held a meeting on July 31, and decided to resolutely curb the increase of housing prices. The phrase “resolutely curbing” suggests a high degree of control by the government for a long period. As a result, the Shenzhen government released new control policies for Shenzhen area, which have a “spillover effect” in neighboring Foshan. Hence, the average property selling prices have stabilised. The average transacted property selling prices per sqm in Foshan has slightly increased by 4.09% during the current reporting period, from RMB10,242 per sqm (See Note 1 below) in 2Q2018 to RMB10,661 per sqm (See Note 1 below) in 3Q2018. Meanwhile, transaction volumes have increased from 3.65 million sqm in 2Q2018 to 3.79 million sqm (See Note 1 below) in 3Q2018, an increase of approximately 3.83%.

Project Updates

As at 30 September 2018, the Group has five development projects with GFA of approximately 1.10 million sqm under development as follows:

Projects located at Kuala Lumpur in Malaysia:

- 1) Project Imbi (Construction commenced in August 2018)
- 2) Project Kuchai Lama
- 3) Project Plaza Rakyat

These are expected to be separately completed in various phases up to 2023 and are currently arranging financing for these projects.

Projects located in the 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); and
- 2) Sihui City Mall Phase 2 - a residential and shopping mall development project with a planned GFA of approximately 104,426 sqm.

Project Cheras Mukota had been terminated by the Malaysian Government as it cannot obtain adequate support to carry on the project. The Group had invested 6.5 million Malaysian Ringgit in this project, including land cost and surveillance fee. The Group is negotiating with the Malaysian Government and is expecting to recover 5 million Malaysian Ringgit.

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.

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 30 September 2018 are as follows:



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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).*

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden–South Zone	839,070	84,262	9,958	100%
Jiangnan Mingju Phases 5 and 6	992,611	145,763	6,810	100%
Sihui City Mall	376,971	58,137	6,484	100%
Total	2,208,652	288,162	7,665	NA

The accumulated sales/pre-sales (See Note 2 below) status of our projects for 9M2018 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden – South Zone	6,964	737	9,454	100%
Jiangnan Mingju Phases 5 and 6	298	52	5,712	100%
Sihui City Mall	22,919	2,858	8,018	100%
Total	30,181	3,647	8,275	NA

The sales/pre-sales (See Note 2 below) of our projects for 3Q2018 are as follows:

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Jin Long Garden – South Zone	2,560	180	14,190	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	1,525	193	7,915	100%
Total	4,085	373	10,950	NA

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Mingju Phases 5 and 6 in 3Q2018 have been recognised as revenue in the current reporting periods. The sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-ventured project) have also been recognised in 3Q2018 when handed over.

Notes:

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

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



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11. Dividend

(a) Current Financial Period Reported on

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 9M2018	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 9M2018
Zhong Yu Xing ⁽¹⁾	S\$496,499 ⁽²⁾	-

Notes:

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

(2) Lease of Debao Hotel.

BY ORDER OF THE BOARD

Zhong Yu Zhao
Executive Director and CEO
7 November 2018



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



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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 three months ended 30 September 2018 results to be false or misleading in any material respect and we confirm that the Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Zhong Yu Zhao
Executive Director and CEO

Yuan Jia Jun
Executive Director

7 November 2018