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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016 ("3Q2016 and 9M2016")

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)					
	3Q2016	3Q2015	% Change	9M2016	9M2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	27,198	36,022	(24%)	55,844	75,480	(26%)
Cost of sales	(23,416)	(20,714)	13%	(41,282)	(41,740)	(1%)
Gross profit	3,782	15,308	(75%)	14,562	33,740	(57%)
Other income	(29,275)	1,604	(1925%)	37,627	5,769	552%
Selling and distribution expenses	(5,202)	(9,968)	(48%)	(10,090)	(15,815)	(36%)
Administrative expenses	(13,551)	(24,954)	(46%)	(40,012)	(52,840)	(24%)
Finance costs	(15,839)	(51,091)	(69%)	(50,108)	(119,069)	(58%)
Loss before income tax	(60,085)	(69,101)	(13%)	(48,021)	(148,215)	(68%)
Income tax (expenses) credit	(1,964)	(1,396)	41%	(838)	(2,392)	(65%)
Net loss for the period	(62,049)	(70,497)	(12%)	(48,859)	(150,607)	(68%)
Other comprehensive income (loss)						
Currency translation difference	6,427	10,533	(39%)	(34,854)	14,630	(338%)
Total Comprehensive loss for the period	(55,622)	(59,964)	(7%)	(83,713)	(135,977)	(38%)
Loss attributable to:						
Equity holders of the Company	(59,919)	(78,274)	(23%)	(42,812)	(142,018)	(70%)
Non-controlling interest	(2,130)	7,777	(127%)	(6,047)	(8,589)	(30%)
	(62,049)	(70,497)	(12%)	(48,859)	(150,607)	(68%)
Total comprehensive loss attributable to:						
Equity holders of the Company	(53,492)	(67,741)	(21%)	(77,666)	(127,388)	(39%)
Non-controlling interest	(2,130)	7,777	(127%)	(6,047)	(8,589)	(30%)
	(55,622)	(59,964)	(7%)	(83,713)	(135,977)	(38%)



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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)					
	3Q2016	3Q2015	% Change	9M2016	9M2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	27,198	36,022	(24%)	55,844	75,480	(26%)
Cost of sales	(23,266)	(20,363)	14%	(40,731)	(41,105)	(1%)
Gross profit	3,932	15,659	(75%)	15,113	34,375	(56%)
Other income	(29,275)	1,604	(1925%)	37,627	5,769	552%
Selling and distribution expenses	(5,202)	(9,968)	(48%)	(10,090)	(15,815)	(36%)
Administrative expenses	(13,495)	(24,898)	(46%)	(39,843)	(52,671)	(24%)
Finance costs	(15,839)	(51,091)	(69%)	(50,108)	(119,069)	(58%)
Loss before income tax	(59,879)	(68,694)	(13%)	(47,301)	(147,411)	(68%)
Income tax (expenses) credit	(2,015)	(1,498)	35%	(1,018)	(2,593)	(61%)
Net loss for the period	(61,894)	(70,192)	(12%)	(48,319)	(150,004)	(68%)
Other comprehensive income (loss)						
Currency translation difference	6,427	10,533	(39%)	(34,854)	14,630	(338%)
Total Comprehensive loss for the period	(55,467)	(59,659)	(7%)	(83,173)	(135,374)	(39%)
Loss attributable to:						
Equity holders of the Company	(59,764)	(77,969)	(23%)	(42,272)	(141,415)	(70%)
Non-controlling interest	(2,130)	7,777	(127%)	(6,047)	(8,589)	(30%)
	(61,894)	(70,192)	(12%)	(48,319)	(150,004)	(68%)
Total comprehensive loss attributable to:						
Equity holders of the Company	(53,337)	(67,436)	(21%)	(77,126)	(126,785)	(39%)
Non-controlling interest	(2,130)	7,777	(127%)	(6,047)	(8,589)	(30%)
	(55,467)	(59,659)	(7%)	(83,173)	(135,374)	(39%)



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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 third quarter and nine months ended 30 September 2015 (“**3Q2015** and **9M2015**”) and for the third quarter and nine months ended 30 September 2016 (“**3Q2016** and **9M2016**”), 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 3Q2015, 9M2015, 3Q2016 and 9M2016 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 3Q2015, 9M2015, 3Q2016 and 9M2016 (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					
	3Q2016	3Q2015	% Change	9M2016	9M2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	463	736	(37%)	2,122	2,225	(5%)
Amortisation	56	55	2%	167	166	1%
Interest expense	15,839	51,091	(69%)	50,108	119,069	(58%)
Interest income	(3,091)	(449)	588%	(5,567)	(4,614)	21%
Exchange loss (gain)	33,157	-	100%	(31,152)	-	100%

	Proforma Consolidated Statement of Comprehensive Income					
	3Q2016	3Q2015	% Change	9M2016	9M2015	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	407	680	(40%)	1,953	2,056	(5%)
Amortisation	56	55	2%	167	166	1%
Interest expense	15,839	51,091	(69%)	50,108	119,069	(58%)
Interest income	(3,091)	(449)	588%	(5,567)	(4,614)	21%
Exchange loss (gain)	33,157	-	100%	(31,152)	-	100%



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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	
	30.9.2016 RMB'000	31.12.2015 RMB'000	30.9.2016 RMB'000	31.12.2015 RMB'000	30.9.2016 RMB'000	31.12.2015 RMB'000
ASSETS						
Current assets						
Cash and bank equivalents	138,896	177,424	138,896	177,424	39	37
Restricted cash and cash equivalents	364,650	401,751	364,650	401,751	-	-
Trade and other receivables	342,955	380,012	342,955	380,012	-	-
Amount due from related parties	8,542	7,064	8,542	7,064	-	-
Due from subsidiaries	-	-	-	-	644,831	610,154
Amount due from customers for contract work	590	590	590	590	-	-
Inventories	262	262	262	262	-	-
Property held for sales	453,291	459,610	444,348	450,413	-	-
Development properties	2,671,909	2,005,554	2,414,286	1,747,634	-	-
Prepaid land use right	223	223	223	223	-	-
Asset held for sales	35,000	35,000	35,000	35,000	-	-
Dividends receivable	-	-	-	-	22,942	21,572
Total current assets	4,016,318	3,467,490	3,749,752	3,200,373	667,812	631,763
Non-current Assets						
Prepaid land use right	4,420	4,587	4,420	4,587	-	-
Property, plant and equipment	21,784	22,838	18,850	19,735	-	-
Investment properties	2,440,462	2,441,955	2,440,462	2,441,955	-	-
Joint Venture	25,618	17,462	25,618	17,462	-	-
Trade and other receivables	213,522	156,135	213,522	156,135	-	-
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	-	-
Total non-current assets	2,721,521	2,658,692	2,718,587	2,655,589	1,815	1,815
Total assets	6,737,839	6,126,182	6,468,339	5,855,962	669,627	633,578
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Bank and other loans	1,871,325	1,356,615	1,871,325	1,356,615	-	-
Trade and other payables	1,561,366	1,239,120	1,561,366	1,239,120	332	694
Long term payable-current portion	22,297	22,297	22,297	22,297	-	-
Amount due to related parties	34,724	36,887	34,724	36,887	-	-
Due to subsidiaries	-	-	-	-	50,542	47,500
Tax payables	75,783	78,623	75,783	78,623	-	-
Total current liabilities	3,565,495	2,733,542	3,565,495	2,733,542	50,874	48,194
Non-current liabilities						
Bank and other loans	1,211,918	1,339,036	1,211,918	1,339,036	-	-
Trade and other payables	149,992	156,158	149,992	156,158	-	-
Deferred tax liabilities	396,664	399,239	330,635	333,044	-	-
Total non-current liabilities	1,758,574	1,894,433	1,692,545	1,828,238	-	-
Shareholders' equity	1,413,784	1,498,207	1,210,299	1,294,182	618,753	585,384
Total liabilities and Shareholders' equity	6,737,839	6,126,182	6,468,339	5,855,962	669,627	633,578



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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 3Q2016 and 9M2016 Results Announcement.

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

	Group (Actual CFS)	
	30.9.2016	31.12.2015
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:-		
Secured (a)	1,851,046	1,333,336
Unsecured (b)	20,279	23,279
Sub-total (1)	1,871,325	1,356,615
Amount repayable after one year		
Secured (a)	1,211,918	1,339,036
Sub-total (2)	1,211,918	1,339,036
Total debt (1)+(2)	3,083,243	2,695,651



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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 RMB12,481,000 (2015: RMB15,098,000) with an interest rate of 6.55% (2015: 6.55%) per annum are repayable from the second half year of 2016 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 RMB3,683,000 (2015: RMB3,517,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB8,798,000 (2015: RMB11,581,000).

Bank loan amounting to RMB 209,400,000 (2015: RMB209,350,000) with an interest rate of 4.35% to 6.80% (2015: 5.35%) per annum, are repayable in 2017, secured by certain land use rights and property of the Group and restricted cash and cash equivalents of RMB 120,000,000.

Bank loan amounting to RMB100,000,000 (2015: RMB100,000,000) with an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017 or repayable upon demand and were secured by certain land use rights of the Group.

Bank loan amounting to RMB69,000,000 (2015: RMB69,300,000) with an interest rate of 5.66% (2015: 6.72% to 7%) per annum, are repayable in 2017, secured by land use rights and investment properties of the Group.

Bank loan amounting to RMB16,000,000 (2015: RMB38,000,000) with an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017, 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 RMB84,000,000 (2015: RMB85,000,000) bears an interest rate of 5.66% (2015: 7%) per annum, are repayable in 2017, secured by land use rights of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB29,800,000 (2015: RMB25,000,000) bears an interest rate of 5.0% to 5.18% (2015: 7.04%) per annum, are repayable in 2017, secured by investment property of the Group.

Bank loan amounting to RMB48,000,000 (2015: RMB24,000,000) bears an interest rate of 4.35%(2015: 8.5%) per annum, are repayable in 2017, secured by property held for sales and restricted cash and cash equivalents of RMB24,000,000, and guaranteed by other subsidiaries of the Group.

Bank loan amounting to RMB171,390,000 (2015: RMB208,779,000) bears an interest rate of 3.16% to 3.25% (2015: 3.15% to 3.25%) per annum, are repayable in 2017, secured by restricted cash and cash equivalents of RMB190,650,000.

Bank loan amounting to RMB32,500,000 (2015: RMB32,600,000) bears an interest rate of 5.22% (2015: 5.61% to 5.87%) per annum, are repayable in year-end 2016 and 2017, secured by land use rights of the Group.

Bank loan amounting to RMB49,820,000 (2015: RMB50,000,000) bears an interest rate of 4.79% to 6.09% (2015: 5.87%) per annum, are repayable in 2017, secured by investment property of the Group.



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

Bank loan amounting to RMB104,000,000 (2015: RMB80,000,000) bears an interest rate of 4.35 to 5.22%(2015: 6.75%) per annum, are repayable in 2017, secured by land use rights of the Group and restricted cash and cash equivalents of RMB30,000,000.

New loan raised in 3Q2016 amounting to RMB9,900,000 bears an interest rate of 5.30% per annum, are repayable in 2017, secured by secured by investment property of the Group.

Other loans(secured)

- (a) Loans raised together with a contractor for a total of RMB112,591,000 (2015: RMB116,574,000) with an interest rates ranging from prime rate to 5.66%, 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. RMB82,620,000 (2015: RMB98,369,000) has been advanced to the Group. The loans are repayable on demand.

Other loan amounting to Nil (2015: RMB60,000,000) with an effective interest rate of approximately 15.80% (2015: 15.80%) per annum, has been repaid in 2016,, secured by land use rights of the Group and guaranteed by a director of the Group.

Other loan amounting to Nil (2015: RMB49,200,000) with an effective interest rate of approximately 14.54% (2015: 14.54%) per annum, has been repaid in 2016, secured by property held for sales of the Group.

Other loan amounting to RMB384,000,000 (2015: RMB384,000,000) with an effective interest rate of approximately 12.70% (2015: 12.70%) per annum, repayable from 2016 to 2017, secured by land use rights and property under development of the Group. The current portion of these loans amounted to RMB313,560,000 (2015: RMB54,859,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB70,440,000 (2015: RMB329,141,000).

Other loan amounting to RMB333,561,000 (2015: RMB324,736,000) with an effective interest rate of approximately 15% (2015: 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 RMB29,270,000 (2015: RMB29,520,000) with an effective interest rate of 24% (2015: 36%) per annum, are repayable in 2017, guaranteed by other subsidiary of the Group.

Other loan amounting to RMB154,000,000 (2015: RMB220,000,000) 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 RMB22,000,000(2015: RMB66,000,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB132,000,000(2015: RMB154,000,000).

Other loan amounting to RMB44,542,000(2015: RMB49,842,000) with an effective interest rate of 24%(2015: 24%) per annum, are repayable in 2017, guaranteed by other subsidiary of the Group.

Other loan raised amounting to RMB533,696,000(2015: RMB519,578,000) with an effective interest rate of approximately 10% per annum, repayable in 2020, secured by other subsidiaries 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)

Other loan raised in 2Q2016 amounting to RMB466,984,000 with an effective interest rate of approximately 10% per annum, repayable in 2021, secured by other subsidiaries of the Group, as well as guaranteed by one director of the Group.

Other loan raised in 3Q2016 amounting to RMB40,000,000 with an interest rate of 26.4% per annum, are repayable in 2017, secured by development properties of the Group

Other loan raised in 3Q2016 amounting to RMB58,000,000 with an interest rate of 17.4% per annum, repayable in 2017, secured by development properties of the Group

Other loans(unsecured)

- (b) Other loan amounting to RMB18,279,000 (2015: RMB18,279,000) with an effective interest rate of 18% (2015: 18%) per annum, are repayable in the end of 2016 and unsecured.

Other loan amounting to RMB2,000,000 (2015: RMB5,000,000) with an effective interest rate of 24% per annum, are repayable in 2017 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			
	3Q2016	3Q2015	9M2016	9M2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss before tax	(60,085)	(69,101)	(48,021)	(148,215)
Adjustments for:				
Depreciation and amortisation	519	791	2,289	2,391
Interest expense	15,839	51,091	50,108	119,069
Interest income	(3,091)	(449)	(5,567)	(4,614)
Unrealised exchange loss	33,157	-	(31,152)	-
Operating loss before working capital changes	(13,661)	(17,668)	(32,343)	(31,369)
Trade and other receivables	(37,310)	198,893	(11,786)	121,734
Development properties	(109,202)	(76,307)	(611,923)	(230,440)
Property held for sales	5,024	10,248	6,319	16,572
Amount due from customers for contract work	-	(913)	-	1,350
Inventories	1	1,390	-	(9)
Trade and other payables	78,599	127,956	346,510	431,209
Amounts due to related parties	(3,597)	(88)	(2,163)	(17,667)
Net cash (used in) from operations	(80,146)	243,511	(305,386)	290,467
Interest paid	(28,113)	(149,677)	(120,446)	(208,133)
Interest received	3,091	449	5,567	4,614
Income taxes paid	(3,923)	(2,119)	(10,921)	(18,756)
Net cash (used in) from operating activities	(109,091)	92,164	(431,186)	68,192
Cash flows from investing activities				
Purchases of properties, plant and equipment	(122)	-	(1,068)	-
Addition in investment property	(111)	(37,034)	(472)	(43,334)
Advance to joint venture	(356)	-	(8,156)	-
Proceeds on disposal of investment property	7,080	-	7,080	-
Disposal of other investment	-	-	-	500
Net cash from (used in) investing activities	6,491	(37,034)	(2,616)	(42,834)
Cash flows from financing activities				
Amounts due from related parties	(558)	(456)	(1,478)	2,335
Fixed deposit	80,050	(123,500)	37,101	(34,438)
Dividend paid	-	-	-	(12,061)
Proceeds from bank and other loans	114,900	824,570	697,871	1,269,872
Repayment of bank and other loans	(150,186)	(209,176)	(340,709)	(776,394)
Net cash from financing activities	44,206	491,438	392,785	449,314
Net (decrease) increase in cash and cash equivalents	(58,394)	546,568	(41,017)	474,672
Cash and cash equivalents at the beginning of the periods	203,230	68,274	177,424	140,322
Effects of exchange rate changes on the balance of cash held in foreign currency	(5,940)	89	2,489	(63)
Cash and cash equivalents at the end of the periods	138,896	614,931	138,896	614,931



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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			
	3Q2016	3Q2015	9M2016	9M2015
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Loss before tax	(59,879)	(68,694)	(47,301)	(147,411)
Adjustments for:				
Depreciation and amortisation	463	735	2,120	2,222
Interest expense	15,839	51,091	50,108	119,069
Interest income	(3,091)	(449)	(5,567)	(4,614)
Unrealised exchange loss	33,157	-	(31,152)	-
Operating (loss) profit before working capital changes	(13,511)	(17,317)	(31,792)	(30,734)
Trade and other receivables	(37,310)	199,868	(11,786)	121,734
Development properties	(109,352)	(77,633)	(612,220)	(230,884)
Property held for sales	5,024	10,248	6,065	16,381
Amount due from customers for contract work	-	(913)	-	417
Inventories	1	1,390	-	(9)
Trade and other payables	78,599	127,956	346,510	431,209
Amounts due to related parties	(3,597)	(88)	(2,163)	(17,667)
Net cash (used in) from operations	(80,146)	243,511	(305,386)	290,467
Interest paid	(28,113)	(149,677)	(120,446)	(208,133)
Interest received	3,091	449	5,567	4,614
Income taxes paid	(3,923)	(2,119)	(10,921)	(18,756)
Net cash (used in) from operating activities	(109,091)	92,164	(431,186)	68,192
Cash flows from investing activities				
Purchases of properties, plant and equipment	(122)	-	(1,068)	-
Addition in investment property	(111)	(37,034)	(472)	(43,334)
Advance to joint venture	(356)	-	(8,156)	-
Proceeds on disposal of investment property	7,080	-	7,080	-
Disposal of other investment	-	-	-	500
Net cash from (used in) investing activities	6,491	(37,034)	(2,616)	(42,834)
Cash flows from financing activities				
Amounts due from related parties	(558)	(456)	(1,478)	2,335
Fixed deposit	80,050	(123,500)	37,101	(34,438)
Dividend paid	-	-	-	(12,061)
Proceeds from bank and other loans	114,900	824,570	697,871	1,269,872
Repayment of bank and other loans	(150,186)	(209,176)	(340,709)	(776,394)
Net cash from financing activities	44,206	491,438	392,785	449,314
Net (decrease) increase in cash and cash equivalents	(58,394)	546,568	(41,017)	474,672
Cash and cash equivalents at the beginning of the periods	203,230	68,274	177,424	140,322
Effects of exchange rate changes on the balance of cash held in foreign currency	(5,940)	89	2,489	(63)
Cash and cash equivalents at the end of the periods	138,896	614,931	138,896	614,931

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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DEVELOPMENT LTD.

德宝房地产开发有限公司



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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 2015	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)
Balance as at 31 March 2015	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)
Balance as at 30 June 2015	909,831	324,360	21,351	23,887	396	17,788	1,297,613	216,021	1,513,634
Total comprehensive (loss) profit for the period	-	(78,274)	10,533	-	-	-	(67,741)	7,777	(59,964)
Balance as at 30 September 2015	909,831	246,086	31,884	23,887	396	17,788	1,229,872	223,798	1,453,670
Balance as at 1 January 2016	909,831	422,395	27,016	23,887	86,724	17,788	1,487,641	10,566	1,498,207
Total comprehensive profit (loss) for the period	-	34,494	(23,659)	-	-	-	10,835	(1,893)	8,942
Balance as at 31 March 2016	909,831	456,889	3,357	23,887	86,724	17,788	1,498,476	8,673	1,507,149
Total comprehensive loss for the period	-	(17,387)	(17,622)	-	-	-	(35,009)	(2,734)	(37,743)
Balance as at 30 June 2016	909,831	439,502	(14,265)	23,887	86,724	17,788	1,463,467	5,939	1,469,406
Total comprehensive (loss) profit for the period	-	(59,919)	6,427	-	-	-	(53,492)	(2,130)	(55,622)
Balance as at 30 September 2016	909,831	379,583	(7,838)	23,887	86,724	17,788	1,409,975	3,809	1,413,784



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 (continue).

	Group - Proforma CFS									
	Issued Capital RMB'000	Retained Earnings RMB'000	Translation Reserve RMB'000	Proforma Reserve RMB'000	Statutory Reserve RMB'000	Capital Reserve RMB'000	Revaluation Reserve RMB'000	Attributable to equity holders of the Company RMB'000	Non-Controlling Interests RMB'000	Total RMB'000
Balance as at 1 January 2015	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)
Balance as at 31 March 2015	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)
Balance as at 30 June 2015	909,831	249,002	21,351	(148,414)	31,442	396	21,707	1,085,315	216,021	1,301,336
Total comprehensive (loss) profit for the period	-	(77,969)	10,533	-	-	-	-	(67,436)	7,777	(59,659)
Balance as at 30 September 2015	909,831	171,033	31,884	(148,414)	31,442	396	21,707	1,017,879	223,798	1,241,677
Balance as at 1 January 2016	909,831	355,310	27,016	(148,414)	31,442	86,724	21,707	1,283,616	10,566	1,294,182
Total comprehensive profit (loss) for the period	-	34,582	(23,659)	-	-	-	-	10,923	(1,893)	9,030
Balance as at 31 March 2016	909,831	389,892	3,357	(148,414)	31,442	86,724	21,707	1,294,539	8,673	1,303,212
Total comprehensive loss for the period	-	(17,090)	(17,622)	-	-	-	-	(34,712)	(2,734)	(37,446)
Balance as at 30 June 2016	909,831	372,802	(14,265)	(148,414)	31,442	86,724	21,707	1,259,827	5,939	1,265,766
Total comprehensive (loss) profit for the period	-	(59,764)	6,427	-	-	-	-	(53,337)	(2,130)	(55,467)
Balance as at 30 September 2016	909,831	313,038	(7,838)	(148,414)	31,442	86,724	21,707	1,206,490	3,809	1,210,299



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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 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
Total comprehensive loss for the period	-	(1,205)	(19,394)	(20,599)
Balance as at 30 September 2019	909,831	(268,811)	(55,217)	585,803
Balance as at 1 January 2015	909,831	(286,847)	(37,600)	585,384
Total comprehensive loss for the period	-	(1,104)	24,550	23,446
Balance as at 31 March 2016	909,831	(287,951)	(13,050)	608,830
Total comprehensive (loss) profit for the period	-	(1,272)	17,605	16,333
Balance as at 30 June 2016	909,831	(289,223)	4,555	625,163
Total comprehensive loss for the period	-	(1,247)	(5,163)	(6,410)
Balance as at 30 September 2016	909,831	(290,470)	(608)	618,753

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.

At the Extraordinary General Meeting held on 27 April 2016, the shareholders of the Company approved the consolidation of every fifteen (15) existing ordinary shares in the capital of the Company into one (1) ordinary share ("Share Consolidation"). The Share Consolidation was completed on 9 May 2016 when 1,125,000,000 existing ordinary shares were consolidated into 74,999,688 consolidated shares, disregarding any fractions of ordinary shares arising from the Share Consolidation. Earnings per share and net assets value for financial year ended 31 December 2014 are restated for the effect of the share consolidation.

The details of the number of shares as a result of the Share Consolidation are shown in 1(d)(iii) below.



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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 2015 and 30 September 2016 respectively.

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

	30.9.2016		31.12.2015	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	1,125,000,000	143,750

Share Consolidation effective from 9 May 2016

Total number of ordinary shares before Share Consolidation	1,125,000,000
Share Consolidation exercise	(1,050,000,312)
Total number of ordinary shares after Share Consolidation	74,999,688

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 3Q2016 and 9M2016 as those of the audited financial statements for the year ended 31 December 2015, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2016. The adoption of all new and revised FRSs has no material effect on the 3Q2016 and 9M2016 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.



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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			
	3Q2016	3Q2015 (restated)	9M2016	9M2015 (restated)
Loss Per Share				
Basic (a)	(79.89)	(104.37)	(57.08)	(189.36)

RMB fens	Proforma CFS			
	3Q2016	3Q2015 (restated)	9M2016	9M2015 (restated)
Loss Per Share				
Basic (a)	(79.69)	(103.96)	(56.36)	(188.55)

- (a) Basic earnings per share has been computed based on the ordinary shares capital of 74,999,688 shares ie: number of ordinary shares issued and paid-up, please refer to item 1(d)(iii).

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	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.9.2016	31.12.2015 (restated)	30.9.2016	31.12.2015 (restated)	30.9.2016	31.12.2015 (restated)
Net asset value per ordinary share based on issued share capital at end of financial year*	18.85	19.98	16.14	17.26	8.25	7.81

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



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

Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial statements and our Proforma Consolidated Financial statements for 3Q2016 and 9M2016

	30.9.2016		Difference
	Actual*	Proforma*	***
	RMB'000	RMB'000	RMB'000
<u>Balance sheet items</u>			
Property held for sales	453,291	444,348	8,943
Development properties	2,671,909	2,414,286	257,623
Property, plant and equipment	21,784	18,850	2,934
Deferred tax liabilities	396,664	330,635	66,029
Shareholders' equity	1,413,826	1,210,299	203,527

	3Q2016		Difference	9M2016		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Comprehensive income statements items</u>						
Cost of sales	(23,416)	(23,266)	(150)	(41,282)	(40,731)	(551)
Administrative expenses	(13,551)	(13,495)	(56)	(40,012)	(39,843)	(169)
Income tax expense	(1,964)	(2,015)	51	(838)	(1,018)	180
Loss for the period	(62,049)	(61,894)	(155)	(48,859)	(48,319)	(540)

* 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 RMB19.6 million, or 26%, from 75.4 million in 9M2015 to RMB55.8 million in 9M2016. The decrease was mainly attributed to the decrease in revenue from our property development sales by RMB10.9 million, from RMB49.1 million in 9M2015 to RMB38.2 million in 9M2016. The decrease in revenue from the property development sales was mainly due to a lower GFA sold recognized and a higher average selling price ("ASP") per square metre ("sqm") achieved in 9M2016 compared with the previous corresponding period. The GFA sold and recognised in 9M2015 and 9M2016 was 8,000 sqm and 2,500 sqm respectively, while the ASP per sqm had increased from approximately RMB8,500 per sqm in 9M2015 to approximately RMB11,700 per sqm in 9M2016. Less than previous corresponding period, only two villas were recognized revenue in 9M2016, which were with higher ASP per sqm. Besides, there is about RMB746.9 million of advance from customers for pre-sales of properties that did not meet sales recognition criteria on 30 September 2016.

The decrease in revenue was also contributed by a decrease in property rental income of RMB8.0 million, mainly due to the decrease in property rental income from our investment property as the disposal of Shishan land together with the properties built on the land in July 2015.

In addition, there was no significant change in revenue contribution from construction contracts and property management service income.

For 3Q2016, the Group's revenue decreased by RMB8.8 million, or 24%, from RMB36.0 million in 3Q2015 to RMB27.2 million in 3Q2016. This was mainly attributed to a decrease 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 RMB0.4 million, or 1%, from RMB41.7 million in 9M2015 to RMB41.3 million in 9M2016. This was mainly caused by a decrease in cost of property development sales by RMB5.6 million, which was fairly in line with the decrease of GFA recognized, and partially offset by an increase in cost of property management service.

Included in the 9M2016 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 RMB0.64 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 9M2016.

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 RMB229.3 million as at end of 9M2016, 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 RMB259.4 million **(excluding the offset against estimated deferred tax liability adjustment of approximately RMB64.8 million, which will result in net future fair value adjustments of approximately RMB194.6 million only)**.

In terms of gross profit margin, our overall gross profit margin decreased from 45% in 9M2015 to 27% in 9M2016, as a result of decrease in gross profit contributions from the property development sales and decrease proportion of property rental income in total revenue, with a higher gross profit margin.

Cost of sales increased by RMB2.7 million or 13% from RMB20.7 million in 3Q2015 to RMB23.4 million in 3Q2016. This was mainly due to increase in cost of cost of property management service.

The overall gross profit margin decreased from 42% in 3Q2015 to 14% in 3Q2016, which was mainly due to decrease in gross profit contributions from the property development sales as less than previous corresponding period, only one villas were recognised revenue in 3Q2016, 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 as compared with the corresponding period of 3Q2015.

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 46% in 9M2015 and 27% in 9M2016 respectively, as well as 43% in 3Q2015 and 14% in 3Q2016. 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, foreign exchange gain and miscellaneous income, and the majority of which is surcharge income from property management services.

Other income increased by RMB31.8 million or approximately 552% from RMB5.8 million in 9M2015 to RMB37.6 million in 9M2016, which was mainly caused by an increase of RMB31.8million of foreign exchange gain due to the appreciation of Malaysia Ringgit against US dollar as our Group had invested in Malaysia projects financed from overseas facilities in US dollar. The increase was also contributed 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 RMB5.7 million or 36% in 9M2016 and RMB4.8 million or 48% in 3Q2016 as compared with the respective periods of last year. The higher selling and distribution expenses in 9M2015 were due mainly to the expenses incurred for the marketing efforts for the Phase 3 of Shanshui Longpan (a property development project located at No. 87 North Area, Foshan Household Appliances Industry Base of the National Torch Program, Baini Town, Sanshui District, Foshan City) and commercial units of Sihui City Mall (a property development project located at Sihui Avenue, Dongcheng, Sihui City).

Administrative Expenses

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



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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

The Administrative expenses decreased by RMB12.8 million or 24% in 9M2016 and RMB11.4 million or 46% in 3Q2016 as compared with the respective periods of last year. It was mainly attributable to a decrease of foreign exchange loss due to the appreciation of the US dollar and the Singapore dollar against RMB.

Finance Costs

Finance cost, net of capitalised interest, recorded a decrease of RMB69.0 million in 9M2016 and RMB35.3 million in 3Q2016 over the respective periods in FY2015. The substantial decrease in finance costs was mainly due to the decrease finance cost caused by a lower interest rate in 9M2016 as the People's Bank of China had cut interest rates in FY2015 for five times and the decrease of average working capital loan balance (refer to Paragraph 1(b)ii).

Amortisation

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

Income Tax (Expenses) Credit

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”). Income tax decreased by RMB1.6 million and RMB0.6 million in 9M2016 and 3Q2016 respectively as compared with the corresponding periods in FY2015. The lower income tax expenses 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.

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 RMB48.9 million in 9M2016 and RMB62.0 million in 3Q2016 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 RMB48.3 million in 9M2016 and RMB61.9 million in 3Q2016 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, 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 FY2015 and 9M2016 amounted to approximately RMB3,467.5 million and RMB4,016.3 million respectively.

The largest component of our current assets was development properties, which amounted to approximately RMB2,005.6 million and RMB2,671.9 million as at the end of FY2015 and 9M2016 respectively. Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 58% and 67% of our current assets as at the end of FY2015 and 9M2016 respectively. The RMB666.3 million or 33% increase in development properties was mainly due to the increase of cost of land for Malaysia Imbi land and development costs for the Sihui City Mall project and the high rise and phase(ii) villas of Shanshui Longpan project which have been launched for pre-sale in November 2015.

Properties held for sales amounted to RMB459.6 million and RMB453.3 million as at the end of FY2015 and 9M2016 respectively, which include properties of Jiangnan Mingju Phases 5 and 6, and Phase 1, Phase 1 (ii) Villas and phase 3 high-rise of Shanshui Longpan and part of Sihui City Mall.

The Group's cash and bank balances as at 30 September 2016 decreased by RMB38.5 million or 22% to RMB138.9 million as compared with 31 December 2015, which was primarily attributable to the net cash used in operating activities of RMB431.2 million and net cash used in investing activities of RMB2.6 million, partially offset by net cash from financing activities of RMB392.8 million in 9M2016 respectively.

In addition, restricted cash stood at RMB364.7 million and RMB401.8 million as at end of 9M2016 and FY2015 respectively. The decrease was due to the payment of RMB42.6 million security deposit for the development of properties, and partially offset by addition of RMB5.5 million pledged cash along with the withdrawal of new bank loans.

Trade and other receivables stood at approximately RMB536.1 million and RMB556.5 million at the end of FY2015 and 9M2016 respectively. The increases of RMB20.3 million in trade and other receivables were mainly due to addition of RMB57.4 million for the acquisition of 5 parcels of land of Malaysia Plaza Rakyat Project and RMB20.6 million for prepayment of pre-sale tax, partially offset by collection the balance of consideration for property sales. RMB213.5 million has been presented as non-current assets as the deposit or prepayment will be refunded or recovered above one year.

Amount due from customers for contract works stood at both RMB0.6 million as at end of FY2015 and 9M2016 respectively. These amounts pertain to construction contracts that have yet to be billed to our construction contract customers.



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

Non-current assets

Non-current assets comprised mainly investment properties, joint venture, property, plant and equipment. As at the end of FY2015 and 9M2016, our non-current assets had an aggregate net book value of approximately RMB2,658.7 million and RMB2,721.5 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 carparks, commercial premises located in Debao Garden, New Liwan Garden and Jiangnan Mingju, carparks located in Debao Garden and New Liwan Garden, and plant, equipment and land use rights in Danzao, Shanshui Longpan Hotel buildings, clubhouse at Shanshui Longpan Phase 3, office building and carparks located at Liaoyuan Road, Tianjin Boulevard buildings and Sihui City Mall. The net book value of our investment properties was approximately RMB2,440.5 million, accounting for 90% of non-current assets as at 9M2016 (down by 2% as at end 2015). The decrease of RMB1.5 million in the investment properties was caused by disposal of commercial premises located in Jiangnan Mingju and carparks located in New Liwan Garden, which has a book value of RMB11.7 million, and partially offset by addition of office building and carparks located at Liaoyuan Road of RMB9.7 million transferred from development properties, and the redevelopment expenditure of Tianjin Boulevard project.

The prepaid land use right, and property, plant and equipment decreased by RMB1.2 million was mainly due to amortisation/depreciation charge of RMB2.3 million for 9M2016, which was partially offset by purchase of office equipment and vehicle.

Joint Venture refers to the Group's proportionate contribution to purchase of land for the joint venture.

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 RMB1,239.1 million and RMB1,561.4 million at the end of FY2015 and 9M2016 respectively. The increase of RMB322.3 million in trade and other payables was mainly due to (a) addition of RMB312.8 million from customers for pre-sales of properties that did not meet sales recognition criteria; and (b) an increase of RMB9.5 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).



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

Shareholders' equity

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to 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, and 38% shareholding held by the minority interest in a Malaysian subsidiary, Profit Consortium Sdn Bhd .

At the end of FY2015 and 9M2016, shareholders' equity amounted to RMB1,498.2 million and RMB1,413.8 million respectively. The decrease in equity was mainly due to the loss incurred in the current period.

Cash flow statement

Our Group has a net cash outflow from operating activities of RMB431.2 million during 9M2016, which comprised operating cash outflows before movements in working capital of RMB32.3 million, adjusted for net working capital used from operations of RMB273.0 million and net of finance cost and interest received as well as income tax paid of RMB114.9 million and RMB10.9 million respectively. The net working capital outflows were mainly due to the increase in development properties and 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 RMB2.6 million mainly pertained to the addition of investment properties, office equipment and vehicle and prepayment to joint venture in Malaysia in 9M2016. and partially offset by proceeds on disposal of investment properties in 9M2016.

The Group recorded a net cash inflow from financing activities of RMB392.8 million during 9M2016. This was mainly due to new loans raised of RMB697.9 million and release of security deposit for the development of properties, partially offset by repayment of RMB340.7 million bank and other loan.

With the above, the Group has a net decrease in cash and cash equivalents of RMB41.0 million for 9M2016.

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 2015 and period ended 31 March 2016 and 30 June 2016 respectively.



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

Market Outlook

Both the Chinese central government and the local government have taken some positive measures to stimulate interest in property in 2016 and aimed at ensuring the healthy development of property market. Thus we have observed that transacted property average selling prices per sqm in Foshan has increased 12.47% during the current reporting period, from RMB8,634 per sqm(See Note 1 below) in 9M2015 to RMB9,711 per sqm(See Note 1 below) in 9M2016. Meanwhile, transaction volumes have increased from 3.4936 million sqm(1) in 9M2015 to 5.4530 million sqm(See Note 1 below) in 9M2016, an increase of approximately 56.09%.

Project Updates

As at 30 September 2016, the Group has five development projects with a gross floor area (“GFA”) of approximately 1.91 million sqm under development and approximately 0.5 million sqm of land held for future development, including four projects located at Kuala Lumpur in Malaysia, Project Kuchai Lama, Project Cheras Mahkota, Imbi Land and Project Plaza Rakyat. These are expected to be separately completed in various phases up to 2022, 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 launched for pre-sales. 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 2(i) Villas

Phase 2(i) Villas of Shanshui Longpan, have a GFA of approximately 42,400 sqm, of which approximately 34,206 sqm have been launched for pre-sales and approximately 26,431 sqm have secured expression of interest to purchase as at 30 September 2016.

Shanshui Longpan, Phase 3 high rise Flats No.1-10

Phase 3 high rise of Shanshui Longpan, the construction works which was started since March 2013, has a GFA of approximately 710,000 (revised) sqm, of which approximately 80,000 sqm have been launched for pre-sales and approximately 68,979 sqm have secured expression of interest to purchase as at 30 September 2016.



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

Sihui City Mall

Sihui City Mall has a GFA of approximately 155,100 (revised) sqm, of which approximately 133,863 sqm have been launched for pre-sales and approximately 50,229 sqm have secured expressions of interests to purchase as at 30 September 2016.

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 83,700 sqm have been launched for pre-sales (in stages) and some of those completed units have been handed over to the buyers since early July 2012.

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 30 September 2016 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	754,857	53,528	14,102	99%-100%
Shanshui Longpan Phase 1(ii) Villas	286,145	17,077	16,757	100%
Jin Long Garden – South Zone	805,783	79,349	10,155	100%
Jiangnan Minju Phases 5 and 6	987,484	145,045	6,808	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	337,002	68,979	4,886	100%
Sihui City Mall	317,955	50,229	6,330	99-100%
Shanshui Longpan Phase 2(i) Villas	192,033	26,431	7,265	70%
Total	3,681,259	440,637	8,354	NA

The sales/pre-sales (See Note 2 below) of our projects for 9M2016 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	13,039	930	14,024	99%-100%
Shanshui Longpan Phase 1(ii) Villas	35,188	2,001	17,581	100%
Jin Long Garden – South Zone	7,755	877	8,842	100%
Jiangnan Minju Phases 5 and 6	2,142	239	8,978	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	69,940	14,760	4,739	100%
Sihui City Mall	106,074	21,638	4,902	99-100%
Shanshui Longpan Phase	136,247	18,598	7,326	70%



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2(i) Villas				
Total	370,385	59,042	6,273	NA

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(See Note 2 below) of our projects for 3Q2016 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	13,039	930	13,364	99%-100%
Shanshui Longpan Phase 1(ii) Villas	17,523	842	20,820	100%
Jin Long Garden – South Zone	3,087	551	6,208	100%
Jiangnan Minju Phases 5 and 6	396	60	6,600	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	27,713	4,614	5,168	100%
Sihui City Mall	45,440	9,764	4,654	99-100%
Shanshui Longpan Phase 2(i) Villas	45,811	6,043	7,580	70%
Total	153,009	22,804	6,710	NA

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Minju Phases 5 and 6, and Shanshui Longpan Phase 1 and 1(ii) villas and parts of Phase 3 High Rises in 2016 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 2016 when handed over.

The Group remains cautious about the outlook of the property market, Nonetheless, the Group will strategically continue to explore opportunities for investment properties.

Notes

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

(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.



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11. *Dividend(continued)*

(d) *Books closure date*

Not applicable.

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

There is no dividend has been declared/recommended.

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) 9M2016	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 9M2016
Zhong Yu Xin ⁽¹⁾	S\$ 411,033 ⁽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

Yuan Le Sheng

Executive Chairman and CEO
8 November 2016



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



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Confirmation by the Board

We, Yuan Le Sheng and Zhang Mao, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the half year ended 30 September 2016 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

Yuan Le Sheng
Executive Chairman and CEO

Zhang Mao
Executive Director

8 November 2016