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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015 ("3Q2015 and 9M2015")**

**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)					
	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	36,022	30,707	17%	75,480	109,635	(31%)
<b>Cost of sales</b>	(20,714)	(12,539)	65%	(41,740)	(48,884)	(15%)
<b>Gross profit</b>	<b>15,308</b>	<b>18,168</b>	<b>(16%)</b>	<b>33,740</b>	<b>60,751</b>	<b>(44%)</b>
Other income	1,604	361	344%	5,769	2,973	94%
Selling and distribution expenses	(9,968)	(9,095)	10%	(15,815)	(24,855)	(36%)
Administrative expenses	(24,954)	(12,621)	98%	(52,840)	(37,294)	42%
Finance costs	(51,091)	(33,624)	52%	(119,069)	(75,894)	57%
<b>Loss before income tax</b>	<b>(69,101)</b>	<b>(36,811)</b>	<b>88%</b>	<b>(148,215)</b>	<b>(74,319)</b>	<b>99%</b>
Income tax (expenses) credit	(1,396)	693	(301%)	(2,392)	(4,383)	(45%)
<b>Net loss for the period</b>	<b>(70,497)</b>	<b>(36,118)</b>	<b>95%</b>	<b>(150,607)</b>	<b>(78,702)</b>	<b>91%</b>
<b>Other comprehensive (loss) income</b>						
Currency translation difference	10,533	1,819	479%	14,630	4,433	230%
<b>Total Comprehensive loss for the period</b>	<b>(59,964)</b>	<b>(34,299)</b>	<b>75%</b>	<b>(135,977)</b>	<b>(74,269)</b>	<b>83%</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(78,274)	(33,297)	135%	(142,018)	(69,901)	103%
Non-controlling interest	7,777	(2,821)	(376%)	(8,589)	(8,801)	(2%)
	<b>(70,497)</b>	<b>(36,118)</b>	<b>95%</b>	<b>(150,607)</b>	<b>(78,702)</b>	<b>91%</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(67,741)	(31,478)	115%	(127,388)	(65,468)	95%
Non-controlling interest	7,777	(2,821)	(376%)	(8,589)	(8,801)	(2%)
	<b>(59,964)</b>	<b>(34,299)</b>	<b>75%</b>	<b>(135,977)</b>	<b>(74,269)</b>	<b>83%</b>



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

Proforma Consolidated Statement of Comprehensive Income

	Proforma CFS (As defined herein)					
	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
<b>Revenue</b>	36,022	30,707	17%	75,480	109,635	(31%)
<b>Cost of sales</b>	(20,363)	(11,912)	71%	(41,105)	(47,121)	(13%)
<b>Gross profit</b>	<b>15,659</b>	<b>18,795</b>	<b>(17%)</b>	<b>34,375</b>	<b>62,514</b>	<b>(45%)</b>
Other income	1,604	361	344%	5,769	2,973	94%
Selling and distribution expenses	(9,968)	(9,095)	10%	(15,815)	(24,855)	(36%)
Administrative expenses	(24,898)	(12,565)	98%	(52,671)	(37,019)	42%
Finance costs	(51,091)	(33,624)	52%	(119,069)	(75,894)	57%
<b>Loss before income tax</b>	<b>(68,694)</b>	<b>(36,128)</b>	<b>90%</b>	<b>(147,411)</b>	<b>(72,281)</b>	<b>104%</b>
Income tax (expenses) credit	(1,498)	567	(364%)	(2,593)	(4,866)	(47%)
<b>Net loss for the period</b>	<b>(70,192)</b>	<b>(35,561)</b>	<b>97%</b>	<b>(150,004)</b>	<b>(77,147)</b>	<b>94%</b>
<b>Other comprehensive (loss) income</b>						
Currency translation difference	10,533	1,819	479%	14,630	4,433	230%
<b>Total Comprehensive loss for the period</b>	<b>(59,659)</b>	<b>(33,742)</b>	<b>77%</b>	<b>(135,374)</b>	<b>(72,714)</b>	<b>86%</b>
<b>Loss attributable to:</b>						
Equity holders of the Company	(77,969)	(32,740)	138%	(141,415)	(68,346)	107%
Non-controlling interest	7,777	(2,821)	(376%)	(8,589)	(8,801)	(2%)
	<b>(70,192)</b>	<b>(35,561)</b>	<b>97%</b>	<b>(150,004)</b>	<b>(77,147)</b>	<b>94%</b>
<b>Total comprehensive loss attributable to:</b>						
Equity holders of the Company	(67,436)	(30,921)	118%	(126,785)	(63,913)	98%
Non-controlling interest	7,777	(2,821)	(376%)	(8,589)	(8,801)	(2%)
	<b>(59,659)</b>	<b>(33,742)</b>	<b>77%</b>	<b>(135,374)</b>	<b>(72,714)</b>	<b>86%</b>



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

Explanatory Notes:

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

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

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

As a result, our gross profits and earnings for the third quarter and nine months ended 30 September 2014 (“**3Q2014 and 9M2014**”) and for the third quarter and nine months ended 30 September 2015 (“**3Q2015 and 9M2015**”), 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 3Q2014, 9M2014, 3Q2015 and 9M2015 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 3Q2014, 9M2014, 3Q2015 and 9M2015 (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					
	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	736	747	(1%)	2,225	2,292	(3%)
Amortisation	55	20	175%	166	60	177%
Interest expense	51,091	33,624	52%	119,069	75,894	57%
Interest income	(449)	(123)	265%	(4,614)	(2,586)	78%

	Proforma Consolidated Statement of Comprehensive Income					
	3Q2015	3Q2014	% Change	9M2015	9M2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	680	691	(2%)	2,056	2,123	(3%)
Amortisation	55	20	175%	166	60	177%
Interest expense	51,091	33,624	52%	119,069	75,894	57%
Interest income	(449)	(123)	265%	(4,614)	(2,586)	78%



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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	
	30.9.2015 RMB'000	31.12.2014 RMB'000	30.9.2015 RMB'000	31.12.2014 RMB'000	30.9.2015 RMB'000	31.12.2014 RMB'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank equivalents	614,931	140,322	614,931	140,322	36	47
Restricted cash and cash equivalents	359,200	324,762	359,200	324,762	-	-
Trade and other receivables	342,467	444,604	342,467	444,604	-	-
Amount due from related parties	1,599	3,934	1,599	3,934	-	-
Due from subsidiaries	-	-	-	-	599,742	652,659
Amount due from customers for contract work	1,010	1,447	1,010	1,447	-	-
Inventories	256	247	256	247	-	-
Property held for sales	414,380	430,952	405,016	421,397	-	-
Development properties	2,034,269	1,708,435	1,766,016	1,439,738	-	-
Prepaid land use right	223	223	223	223	-	-
Dividends receivable	-	-	-	-	20,938	22,038
<b>Total current assets</b>	<b>3,768,335</b>	<b>3,054,926</b>	<b>3,490,718</b>	<b>2,776,674</b>	<b>620,716</b>	<b>674,744</b>
<b>Non-current Assets</b>						
Prepaid land use right	4,642	4,808	4,642	4,808	-	-
Property, plant and equipment	23,697	25,922	20,537	22,593	-	-
Investment properties	2,046,104	2,001,707	2,046,104	2,001,707	-	-
Joint Venture	235,621	235,621	235,621	235,621	-	-
Trade and other receivables	20,000	20,000	20,000	20,000	-	-
Investment in subsidiaries	-	-	-	-	1,815	1,815
Other investment	1,300	1,800	1,300	1,800	-	-
Deferred tax assets	10,223	10,223	10,223	10,223	-	-
Goodwill	4,192	4,192	4,192	4,192	-	-
<b>Total non-current assets</b>	<b>2,345,779</b>	<b>2,304,273</b>	<b>2,342,619</b>	<b>2,300,944</b>	<b>1,815</b>	<b>1,815</b>
<b>Total assets</b>	<b>6,114,114</b>	<b>5,359,199</b>	<b>5,833,337</b>	<b>5,077,618</b>	<b>622,531</b>	<b>676,559</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities</b>						
Bank and other loans	1,353,279	1,335,527	1,353,279	1,335,527	-	-
Trade and other payables	1,255,774	808,188	1,255,774	808,188	3,527	8,963
Long term payable-current portion	18,538	19,538	18,538	19,538	-	-
Amount due to related parties	113,703	131,370	113,703	131,370	-	-
Due to subsidiaries	-	-	-	-	33,201	34,946
Tax payables	100,518	112,580	100,518	112,580	-	-
<b>Total current liabilities</b>	<b>2,841,812</b>	<b>2,407,203</b>	<b>2,841,812</b>	<b>2,407,203</b>	<b>36,728</b>	<b>43,909</b>
<b>Non-current liabilities</b>						
Bank and other loans	1,310,252	834,526	1,310,252	834,526	-	-
Trade and other payables	20,663	20,663	20,663	20,663	-	-
Long term payable	152,369	157,869	152,369	157,869	-	-
Deferred tax liabilities	335,348	337,230	266,564	268,245	-	-
<b>Total non-current liabilities</b>	<b>1,818,632</b>	<b>1,350,288</b>	<b>1,749,848</b>	<b>1,281,303</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>	<b>1,453,670</b>	<b>1,601,708</b>	<b>1,241,677</b>	<b>1,389,112</b>	<b>585,803</b>	<b>632,650</b>
<b>Total liabilities and Shareholders' equity</b>	<b>6,114,114</b>	<b>5,359,199</b>	<b>5,833,337</b>	<b>5,077,618</b>	<b>622,531</b>	<b>676,559</b>



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

Explanatory Notes :

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

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

The restatement do not have any effect on the Group's net assets and profit after tax as previously announced in the 3Q2015 and 9M2015 Results Announcement.

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

	Group (Actual CFS)	
	30.9.2015	31.12.2014
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand:-		
Secured (a)	1,335,000	1,325,527
Unsecured (b)	18,279	10,000
<b>Sub-total (1)</b>	<b>1,353,279</b>	<b>1,335,527</b>
Amount repayable after one year		
Secured (a)	1,310,252	816,247
Unsecured (b)	-	18,279
<b>Sub-total (2)</b>	<b>1,310,252</b>	<b>834,526</b>
<b>Total debt (1)+(2)</b>	<b>2,663,531</b>	<b>2,170,053</b>



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

Explanatory Notes:

**Bank loans**

- (a) Bank loans amounting to RMB15,946,000 (2014: RMB38,546,000) with an interest rate of 6.55% (2014: 6.55%) per annum are repayable from the second half year of 2015 to 2019 and were secured by certain investment properties and land use rights as well as guaranteed by certain directors of the Group. The current portion of these loans amounted to RMB3,465,000 (2014: RMB7,249,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB12,481,000 (2014: RMB31,297,000).

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

Bank loan amounting to RMB 209,350,000 (2014: RMB129,500,000) with an interest rate of 4.85% to 5.35% (2014: 6%) per annum, are repayable in 2016, 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 (2014: RMB100,000,000) with an interest rate of 7% (2014: 7%) per annum, are repayable in 2016 or repayable upon demand and were secured by certain land use rights of the Group.

Bank loan amounting to RMB69,300,000 (2014: RMB75,000,000) with an interest rate of 6.72% to 7% (2014: 6.72% to 7.80%) per annum, are repayable in 2016, secured by land use rights and investment properties of the Group.

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

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

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

Bank loan amounting to RMB Nil (2014: RMB10,000,000) with an interest rate of 6.15% (2014: 6.15%) per annum, has repaid in 2015.

Bank loan amounting to RMB40,000,000 (2014: RMB50,000,000) with an interest rate of 7% (2014: 7%) per annum, are repayable in 2016, secured by land use rights and investment property of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB84,990,000 (2014: RMB85,000,000) bears an interest rate of 7% (2014: 7%) per annum, are repayable in 2016, secured by land use rights of the Group, as well as guaranteed by one director of the Group.

Bank loan amounting to RMB25,000,000 (2014: RMB30,000,000) bears an interest rate of 7.04% (2014: 7.8% to 8.28%) per annum, are repayable in 2016, 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 RMB24,000,000 bears an interest rate of 8.5% per annum, are repayable in 2016, secured by property held for sales and restricted cash and cash equivalents of RMB7,200,000, and guaranteed by other subsidiaries of the Group.

Bank loan amounting to RMB21,758,000 bears an interest rate of 3.25% per annum, are repayable in 2016, secured by restricted cash and cash equivalents of RMB22,000,000.

Bank loan amounting to RMB36,600,000 bears an interest rate of 5.61% to 5.87% per annum, are repayable in 2016, secured by land use rights of the Group and restricted cash and cash equivalents of RMB4,000,000.

Bank loan amounting to RMB50,000,000 bears an interest rate of 5.87% per annum, are repayable in 2016, secured by investment property and restricted cash and cash equivalents of RMB15,000,000.

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

New loan raised in 3Q2015 amounting to RMB182,511,000 bears an interest rate of 3.16% per annum, are repayable in 2016, secured by restricted cash and cash equivalents of RMB191,000,000.

**Other loans(secured)**

- (a) Loans raised together with a contractor for a total of RMB117,622,000 (2014: RMB210,533,000) with an interest rates ranging from 7% to prime rate, repayable within one (1) to ten (10) years, secured by certain land use rights and an investment property of the Group as well as guaranteed by a director of the Group. RMB68,786,000 (2014: RMB183,704,000) has been advanced to the Group and approximately RMB61,705,000 (2014: RMB55,814,000) has been used to pay interest. The loans are repayable on demand.

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

Other loan amounting to RMB60,000,000 (2014: RMB84,000,000) with an effective interest rate of approximately 15.80% (2014: 15.80%) per annum, repayable in 2016, secured by land use rights of the Group and guaranteed by a director of the Group. The current portion of these loans amounted to RMB60,000,000 (2014: RMB24,000,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB Nil (2014: RMB60,000,000).

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

Other loan amounting to RMB Nil (2014: RMB142,918,000) with an effective interest rate of approximately 5.23% (2014: 5.23%) per annum, has repaid in 2015.





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

Other loan amounting to RMB419,220,000 (2014: RMB548,589,000) with an effective interest rate of approximately 12.70% (2014: 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 RMB78,339,000 (2014: RMB164,577,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB340,881,000 (2014: RMB384,012,000).

Other loan amounting to RMB294,538,000 (2014: RMB310,017,000) with an effective interest rate of approximately 15% (2014: 15%) per annum, repayable in 2017, secured by a director of the Group and his shares in the Company (details please refer to our corporate announcement dated 8 April 2014).

Other loan amounting to RMB10,700,000 (2014: RMB10,000,000) with an effective interest rate of 36% (2014: 24%) per annum, are repayable in the end of 2015, guaranteed by other subsidiary of the Group.

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

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

Other loan raised in 2015Q2 amounting to RMB11,220,000 with an effective interest rate of 24% per annum, are repayable in the end of 2015, guaranteed by other subsidiary of the Group.

Other loan raised in 2015Q3 amounting to RMB128,788,000 with an effective interest rate of approximately 14% per annum, repayable from the second half year of 2016 to 2018, secured by land use rights and investment property of the Group. The current portion of these loans amounted to RMB38,636,000 are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB90,152,000.

Other loan raised in 2015Q3 amounting to RMB36,762,000 with an effective interest rate of 24% per annum, are repayable in the end of 2015, guaranteed by other subsidiary of the Group

Other loan raised in 2015Q3 amounting to RMB508,352,000 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.

**Other loans(unsecured)**

- (b) Other loan amounting to RMB18,279,000 (2014: RMB18,279,000) with an effective interest rate of 18% (2014: 18%) per annum, are repayable in the second half year of 2015 and unsecured.



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

	Actual CFS			
	3Q2015	3Q2014	9M2015	9M2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss before tax	(69,101)	(36,811)	(148,215)	(74,319)
Adjustments for:				
Depreciation and amortisation	791	767	2,391	2,352
Interest expense	51,091	33,624	119,069	75,894
Interest income	(449)	(123)	(4,614)	(2,586)
<b>Operating (loss) profit before working capital changes</b>	<b>(17,668)</b>	<b>(2,543)</b>	<b>(31,369)</b>	<b>1,341</b>
Trade and other receivables	198,893	(154,706)	121,734	(193,159)
Development properties	(76,307)	(85,458)	(230,440)	(219,211)
Property held for sales	10,248	10,093	16,572	35,932
Amount due from customers for contract work	(913)	-	1,350	11,208
Inventories	1,390	(32)	(9)	(47)
Trade and other payables	127,956	(60,027)	431,209	61,594
Amounts due to related parties	(88)	(11)	(17,667)	(2,624)
<b>Net cash from (used in) operations</b>	<b>243,511</b>	<b>(292,684)</b>	<b>290,467</b>	<b>(304,966)</b>
Interest paid	(149,677)	(33,480)	(208,133)	(87,987)
Interest received	449	123	4,614	2,586
Income taxes paid	(2,119)	(30,215)	(18,756)	(38,972)
<b>Net cash from (used in) operating activities</b>	<b>92,164</b>	<b>(356,256)</b>	<b>68,192</b>	<b>(429,339)</b>
<b>Cash flows from investing activities</b>				
Purchases of properties, plant and equipment	-	(345)	-	(889)
Addition in investment property	(37,034)	(17,596)	(43,334)	(34,840)
Disposal of other investment	-	-	500	-
<b>Net cash used in investing activities</b>	<b>(37,034)</b>	<b>(17,941)</b>	<b>(42,834)</b>	<b>(35,729)</b>
<b>Cash flows from financing activities</b>				
Amounts due from related parties	(456)	47	2,335	3,064
Fixed deposit	(123,500)	18,044	(34,438)	109,904
Dividend paid	-	-	(12,061)	-
Proceeds from bank and other loans	824,570	999,849	1,269,872	1,166,849
Repayment of bank and other loans	(209,176)	(218,720)	(776,394)	(401,847)
<b>Net cash from financing activities</b>	<b>491,438</b>	<b>799,220</b>	<b>449,314</b>	<b>877,970</b>
<b>Net decrease in cash and cash equivalents</b>	<b>546,568</b>	<b>425,023</b>	<b>474,672</b>	<b>412,902</b>
<b>Cash and cash equivalents at the beginning of the periods</b>	<b>68,274</b>	<b>128,994</b>	<b>140,322</b>	<b>141,223</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currency</b>	<b>89</b>	<b>(1,223)</b>	<b>(63)</b>	<b>(1,331)</b>
<b>Cash and cash equivalents at the end of the periods</b>	<b>614,931</b>	<b>552,794</b>	<b>614,931</b>	<b>552,794</b>



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

	Proforma CFS			
	3Q2015	3Q2014	9M2015	9M2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
Loss before tax	(68,694)	(36,128)	(147,411)	(72,281)
Adjustments for:				
Depreciation and amortisation	735	711	2,222	2,183
Interest expense	51,091	33,624	119,069	75,894
Interest income	(449)	(123)	(4,614)	(2,586)
<b>Operating (loss) profit before working capital changes</b>	<b>(17,317)</b>	<b>(1,916)</b>	<b>(30,734)</b>	<b>3,210</b>
Trade and other receivables	199,868	(154,706)	121,734	(193,265)
Development properties	(77,633)	(85,770)	(230,884)	(220,418)
Property held for sales	10,248	9,778	16,381	35,376
Amount due from customers for contract work	(913)	-	417	11,208
Inventories	1,390	(32)	(9)	(47)
Trade and other payables	127,956	(60,027)	431,209	61,594
Amounts due to related parties	(88)	(11)	(17,667)	(2,624)
<b>Net cash from (used in) operations</b>	<b>243,511</b>	<b>(292,684)</b>	<b>290,467</b>	<b>(304,966)</b>
Interest paid	(149,677)	(33,480)	(208,133)	(87,987)
Interest received	449	123	4,614	2,586
Income taxes paid	(2,119)	(30,215)	(18,756)	(38,972)
<b>Net cash from (used in) operating activities</b>	<b>92,164</b>	<b>(356,256)</b>	<b>68,192</b>	<b>(429,339)</b>
<b>Cash flows from investing activities</b>				
Purchases of properties, plant and equipment	-	(345)	-	(889)
Addition in investment property	(37,034)	(17,596)	(43,334)	(34,840)
Disposal of other investment			500	
<b>Net cash used in investing activities</b>	<b>(37,034)</b>	<b>(17,941)</b>	<b>(42,834)</b>	<b>(35,729)</b>
<b>Cash flows from financing activities</b>				
Amounts due from related parties	(456)	47	2,335	3,064
Fixed deposit	(123,500)	18,044	(34,438)	109,904
Dividend paid	-	-	(12,061)	-
Proceeds from bank and other loans	824,570	999,849	1,269,872	1,166,849
Repayment of bank and other loans	(209,176)	(218,720)	(776,394)	(401,847)
<b>Net cash from financing activities</b>	<b>491,438</b>	<b>799,220</b>	<b>449,314</b>	<b>877,970</b>
<b>Net decrease in cash and cash equivalents</b>	<b>546,568</b>	<b>425,023</b>	<b>474,672</b>	<b>412,902</b>
<b>Cash and cash equivalents at the beginning of the periods</b>	<b>68,274</b>	<b>128,994</b>	<b>140,322</b>	<b>141,223</b>
<b>Effects of exchange rate changes on the balance of cash held in foreign currency</b>	<b>89</b>	<b>(1,223)</b>	<b>(63)</b>	<b>(1,331)</b>
<b>Cash and cash equivalents at the end of the periods</b>	<b>614,931</b>	<b>552,794</b>	<b>614,931</b>	<b>552,794</b>

Explanatory Notes:

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



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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
<b>Balance as at 1 January 2014</b>	909,831	285,279	1,821	23,887	396	17,788	1,239,002	25,519	1,264,521
Total comprehensive (loss) profit for the period	-	(5,812)	1,752	-	-	-	(4,060)	(3,996)	(8,056)
<b>Balance as at 31 March 2014</b>	909,831	279,467	3,573	23,887	396	17,788	1,234,942	21,523	1,256,465
Total comprehensive (loss) profit for the period	-	(30,792)	862	-	-	-	(29,930)	(1,984)	(31,914)
<b>Balance as at 30 June 2014</b>	909,831	248,675	4,435	23,887	396	17,788	1,205,012	19,539	1,224,551
Total comprehensive (loss) profit for the period	-	(33,297)	1,819	-	-	-	(31,478)	(2,821)	(34,299)
<b>Balance as at 30 September 2014</b>	909,831	215,378	6,254	23,887	396	17,788	1,173,534	16,718	1,190,252
<b>Balance as at 1 January 2015</b>	909,831	400,165	17,254	23,887	396	17,788	1,369,321	232,387	1,601,708
Total comprehensive (loss) profit for the period	-	(35,235)	16,061	-	-	-	(19,174)	(8,574)	(27,748)
<b>Balance as at 31 March 2015</b>	909,831	364,930	33,315	23,887	396	17,788	1,350,147	223,813	1,573,960
Total comprehensive loss for the period	-	(28,509)	(11,964)	-	-	-	(40,473)	(7,792)	(48,265)
Dividend distribution	-	(12,061)	-	-	-	-	(12,061)	-	(12,061)
<b>Balance as at 30 June 2015</b>	909,831	324,360	21,351	23,887	396	17,788	1,297,613	216,021	1,513,634
Total comprehensive (loss) profit for the period	-	(78,274)	10,533	-	-	-	(67,741)	7,777	(59,964)
<b>Balance as at 30 September 2015</b>	909,831	246,086	31,884	23,887	396	17,788	1,229,872	223,798	1,453,670



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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
<b>Balance as at 1 January 2014</b>	909,831	206,905	1,821	(148,414)	31,442	396	21,707	1,023,688	25,519	1,049,207
Total comprehensive (loss) profit for the period	-	(4,935)	1,752	-	-	-	-	(3,183)	(3,996)	(7,179)
<b>Balance as at 31 March 2014</b>	909,831	201,970	3,573	(148,414)	31,442	396	21,707	1,020,505	21,523	1,042,028
Total comprehensive (loss) profit for the period	-	(30,671)	862	-	-	-	-	(29,809)	(1,984)	(31,793)
<b>Balance as at 30 June 2014</b>	909,831	171,299	4,435	(148,414)	31,442	396	21,707	990,696	19,539	1,010,235
Total comprehensive (loss) profit for the period	-	(32,740)	1,819	-	-	-	-	(30,921)	(2,821)	(33,742)
<b>Balance as at 30 September 2014</b>	909,831	138,559	6,254	(148,414)	31,442	396	21,707	959,775	16,718	976,493
<b>Balance as at 1 January 2015</b>	909,831	324,509	17,254	(148,414)	31,442	396	21,707	1,156,725	232,387	1,389,112
Total comprehensive (loss) profit for the period	-	(35,050)	16,061	-	-	-	-	(18,989)	(8,574)	(27,563)
<b>Balance as at 31 March 2015</b>	909,831	289,459	33,315	(148,414)	31,442	396	21,707	1,137,736	223,813	1,361,549
Total comprehensive loss for the period	-	(28,396)	(11,964)	-	-	-	-	(40,360)	(7,792)	(48,152)
Dividend distribution	-	(12,061)	-	-	-	-	-	(12,061)	-	(12,061)
<b>Balance as at 30 June 2015</b>	909,831	249,002	21,351	(148,414)	31,442	396	21,707	1,085,315	216,021	1,301,336
Total comprehensive (loss) profit for the period	-	(77,969)	10,533	-	-	-	-	(67,436)	7,777	(59,659)
<b>Balance as at 30 September 2015</b>	909,831	171,033	31,884	(148,414)	31,442	396	21,707	1,017,879	223,798	1,241,677



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

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
<b>Balance as at 1 January 2014</b>	<b>909,831</b>	<b>(245,208)</b>	<b>(12,429)</b>	<b>652,194</b>
Total comprehensive (loss) profit for the period	-	(1,419)	21,186	19,767
<b>Balance as at 31 March 2014</b>	<b>909,831</b>	<b>(246,627)</b>	<b>8,757</b>	<b>671,961</b>
Total comprehensive (loss) profit for the period	-	(1,560)	9	(1,551)
<b>Balance as at 30 June 2014</b>	<b>909,831</b>	<b>(248,187)</b>	<b>8,766</b>	<b>670,410</b>
Total comprehensive loss for the period	-	(1,438)	(14,824)	(16,262)
<b>Balance as at 30 September 2014</b>	<b>909,831</b>	<b>(249,625)</b>	<b>(6,058)</b>	<b>654,148</b>
<b>Balance as at 1 January 2015</b>	<b>909,831</b>	<b>(252,826)</b>	<b>(24,355)</b>	<b>632,650</b>
Total comprehensive loss for the period	-	(1,058)	(25,264)	(26,322)
<b>Balance as at 31 March 2015</b>	<b>909,831</b>	<b>(253,884)</b>	<b>(49,619)</b>	<b>606,328</b>
Total comprehensive (loss) profit for the period		(1,661)	13,796	12,135
Dividend distribution		(12,061)		(12,061)
<b>Balance as at 30 June 2015</b>	<b>909,831</b>	<b>(267,606)</b>	<b>(35,823)</b>	<b>606,402</b>
Total comprehensive loss for the period	-	(1,205)	(19,394)	(20,599)
<b>Balance as at 30 September 2019</b>	<b>909,831</b>	<b>(268,811)</b>	<b>(55,217)</b>	<b>585,803</b>

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.



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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 2014 and 30 September 2015 respectively.

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

	30.9.2015		31.12.2014	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	1,125,000,000	187,147	1,125,000,000	187,147

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 3Q2015 and 9M2015 as those of the audited financial statements for the year ended 31 December 2014, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2015. The adoption of all new and revised FRSs has no material effect on the 3Q2015 and 9M2015 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			
	3Q2015	3Q2014	9M2015	9M2014
<b>Loss Per Share</b>				
Basic (a)	(6.96)	(2.96)	(12.62)	(6.21)



以人为本 稳定发展 房产先锋

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	Proforma CFS			
	3Q2015	3Q2014	9M2015	9M2014
<b>Loss Per Share</b>				
Basic (a)	(6.93)	(2.91)	(12.57)	(6.08)

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

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

RMB fens	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014	30.9.2015	31.12.2014
Net asset value per ordinary share based on issued share capital at end of financial year*	129.22	142.37	110.37	123.48	52.07	56.24

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





以人为本 稳定发展 房产先锋

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

**Key differences in the comprehensive income statement and balance sheet items of our Actual Consolidated Financial statements and our Proforma Consolidated Financial statements for 2Q2015 and 9M2015**

	30.9.2015		Difference
	Actual*	Proforma*	***
	RMB'000	RMB'000	RMB'000
<b>Balance sheet items</b>			
Property held for sales	414,380	405,016	9,364
Development properties	2,034,269	1,766,016	268,253
Property, plant and equipment	23,697	20,537	3,160
Deferred tax liabilities	335,348	266,564	68,784
Shareholders' equity	1,453,670	1,241,677	211,993

	3Q2015		Difference	9M2015		Difference
	Actual*	Proforma**	***	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Comprehensive income statements items</b>						
Cost of sales	(20,714)	(20,363)	(351)	(41,740)	(41,105)	(635)
Administrative expenses	(24,954)	(24,898)	(56)	(52,840)	(52,671)	(169)
Income tax expense	(1,396)	(1,498)	102	(2,392)	(2,593)	201
Loss for the period	(70,497)	(70,192)	(305)	(150,607)	(150,004)	(603)

\* 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 RMB34.1 million, or 31%, from RMB109.6 million in 9M2014 to RMB75.4 million in 9M2015. The decrease was mainly attributed to the decrease in revenue from our property development sales by RMB34.4 million, from RMB83.5 million in 9M2014 to RMB40.1 million in 9M2015. The decrease in revenue from the property development sales was mainly due to a lower average selling price ("ASP") per square metre ("sqm") achieved and a higher GFA sold recognized and in 9M2015 compared with the previous corresponding period. The GFA sold and recognised in 9M2014 and 9M2015 was 5,800 sqm and 8,000 sqm respectively, while the ASP per sqm had decreased from approximately RMB14,800 per sqm in 9M2014 to approximately RMB8,500 per sqm in 9M2015. Less than previous corresponding period, only four villas were recognized revenue in 9M2015, which were with higher ASP per sqm, and this caused the decrease of total ASP per sqm. Besides, there is about RMB514.7 million of advance from customers for pre-sales of properties that did not meet sales recognition criteria on 30 September 2015.

The decrease in revenue was also contributed by an decrease in revenue contribution from construction contracts of RMB3.0 million, which was mainly due to the decrease in revenue from construction contracts work done for Jin Long Garden, our jointly controlled construction operations, as the construction contracts has been settled in February 2014.

In addition, there was an increase in revenue contribution from property management service income of RMB2.3 million, mainly due to the increase in property management fees from Shanshui Longpan, Phase 1 and Phase 1(ii) villas, one of residence communities that we provided property management service since the fourth quarter of 2014.

Futhermore, there was an increase in revenue contribution from property rental income of RMB1.0 million, mainly due to the increase property rental income from Sihui City Mall, which was officially commenced business in January 2015.

For 3Q2015, the Group's revenue increased by RMB5.3 million, or 17%, from RMB30.7 million in 3Q2014 to RMB36.0 million in 3Q2015. This was mainly attributed to an increase in revenue contribution from property development sales and property management service.



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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 RMB7.2 million, or 15%, from RMB48.9 million in 9M2014 to RMB41.7 million in 9M2015. This was mainly caused by a decrease in cost of property development sales by RMB10.9 million, which was fairly in line with the decrease of GFA recognised from villas.

Included in the 9M2015 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 9M2015.

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 RMB218.0 million as at end of 9M2015, 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 RMB270.7 million (**excluding the offset against estimated deferred tax liability adjustment of approximately RMB67.7 million, which will result in net future fair value adjustments of approximately RMB203.0 million only**).

In terms of gross profit margin, our overall gross profit margin decreased from 55% in 9M2014 to 45% in 9M2015, as a result of decrease in gross profit contributions from the property development sales as less than previous corresponding period, only four villas were recognised revenue in 9M2015, which was with higher gross margin.

Cost of sales increased by RMB8.2 million or 65% from RMB12.5 million in 3Q2014 to RMB20.7 million in 3Q2015. This was mainly due to increase in cost of property development sales caused by the increase of GFA sold and recognised.

The overall gross profit margin decreased from 59% in 3Q2014 to 42% in 3Q2015, which was mainly due to decrease in gross profit contributions from the property development sales as less than previous corresponding period, only three villas were recognised revenue in 3Q2015, which was with higher gross margin.



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

There were no significant variances in the cost of sales for property rental and property management services as compared with the corresponding period of 3Q2014.

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 57% in 9M2014 and 46% in 9M2015 respectively, as well as 61% in 3Q2014 and 43% in 3Q2015. The variance was fairly in line with the Actual Consolidated Financial Statements gross profit margin variances, taking into consideration the said non-cash fair value adjustment on the cost of property development sales.

#### **Other Income**

Other operating income, which mainly included interest income and other income, comprised mainly of miscellaneous surcharge income from property management services.

Other income increased by RMB2.8 million or 94% in 9M2015 as compared with the prior period, which was mainly caused by a increase of interest income from restricted cash and cash equivalents.

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

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

The selling and distribution expenses decreased by RMB9.0 million or 36% in 9M2015 and increased by RMB0.9 million or 10% in 3Q2015 as compared with the respective periods of last year. The higher selling and distribution expenses in 9M2014 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..

The Administrative expenses increased by RMB15.5 million or 42% in 9M2015 and RMB12.3 million or 98% in 3Q2015 as compared with the respective periods of last year. It was mainly attributable to an increase of foreign exchange loss due to the appreciation of the US dollar against the Singapore dollar when repayment of borrowing dollars.



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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):*

#### **Finance Costs**

Finance cost, net of capitalised interest, recorded an increase of RMB43.2 million in 9M2015 and RMB17.5 million in 3Q2015 over the respective periods in FY2014. The substantial increase in finance costs in 9M2015 was mainly due to the increase in average loan balance from RMB1,738.5 million in 9M2014 to RMB2,416.8 million in 9M2015 (refer to Paragraph 1(b)ii). Since the new loans raised were mainly working capital loans with higher effective interest rate, the respective interest incurred were expensed-off to the income statement directly.

#### **Amortisation**

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

#### **Depreciation**

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

Depreciation was almost equivalent as to last period.

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

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”). Income tax decreased by RMB2.0 million and increased by RMB2.1 million in 9M2015 and 3Q2015 respectively as compared with the corresponding periods in FY2014. The lower income tax expenses in 9M2015 were mainly due to decrease of provision of LAT and statutory enterprise income tax for property development sales, in line with a lower ASP per sqm as aforesaid. And for the higher income tax expenses in 3Q2015 was in line with the increase of revenue recognized in 3Q2015 compared with 3Q2014.

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 RMB150.6 million in 9M2015 and RMB70.5 million in 3Q2015 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 RMB150.0 million in 9M2015 and RMB70.2 million in 3Q2015 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 FY2014 and 9M2015 amounted to approximately RMB3,054.9 million and RMB3,768.3 million respectively.

The largest component of our current assets was development properties, which amounted to approximately RMB1,708.4 million and RMB2,034.3 million as at the end of FY2014 and 9M2015 respectively. Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 56% and 54% of our current assets as at the end of FY2014 and 9M2015 respectively. The RMB325.8 million or 19% increase in development properties was mainly due to the increase of development costs for the Sihui City Mall project and the high rise phase of Shanshui Longpan project which have been launched for pre-sale in January 2014.

Properties held for sales amounted to RMB431.0 million and RMB414.4 million as at the end of FY2014 and 9M2015 respectively, which include properties of Jiangnan Mingju Phases 5 and 6, and Phase 1, Phase 1 (ii) Villas of Shanshui Longpan and part of Sihui City Mall.

The Group's cash and bank balances as at 30 September 2015 increased by RMB474.6 million or 338% to RMB614.9 million as compared with 31 December 2014, which was primarily attributable to the net cash from financing activities of RMB449.3 million, and net cash from operating activities of RMB68.2 million, partially offset by net cash used in investing activities of RMB42.8 million in 9M2015 respectively.

In addition, restricted cash stood at RMB359.2 million and RMB324.8 million as at end of 9M2015 and FY2014 respectively. The increase was due to the addition of RMB34.4 million pledged cash along with the withdrawal of new bank loans.

Trade and other receivables stood at approximately RMB444.6 million and RMB342.5 million at the end of FY2014 and 9M2015 respectively. The decreases of RMB102.1 million in trade and other receivables were mainly due to collection of: (i) RMB27.0 million of advance to a non-controlling interest, (ii) RMB45.0 million of advance to a joint venture partner to purchase the lands, (iii) RMB32.4 million of payment to a financial institution, (iv) RMB23.0 million of defaulted loans, and partially offset by addition of tax prepayment of RMB25.3 million for the presale properties



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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):*

Amount due from customers for contract works stood at RMB1.4 million and RMB1.0 million as at end of FY2014 and 9M2015 respectively. These amounts pertain to construction contracts that have yet to be billed to our construction contract customers.

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

Non-current assets comprised mainly investment properties, joint venture, property, plant and equipment. As at the end of FY2014 and 9M2015, our non-current assets had an aggregate net book value of approximately RMB2,304.3 million and RMB2,345.8 million respectively.

The investment properties are held to earn rental income and/or for capital appreciation. Our investment properties comprised mainly our Debao Hotel Complex together with the adjacent land and underground car parks, commercial premises located in Debao Garden and Jiangnan Mingju, car parks located in Debao Garden, and plant, equipment and land use rights in Danzao and Shishan, Shanshui Longpan Hotel buildings, Tianjin Boulevard buildings and Sihui City Mall. The net book value of our investment properties was approximately RMB2,001.7 million and RMB2,046.1 million as at the end of FY2014 and 9M2015, which accounted for approximately both 87% of our non-current assets as at the end of FY2014 and 9M2015 respectively. The increase of RMB44.5 million in the investment properties was the purchase of commercial premises and car parks from a third party and redevelopment expenditure of Tianjin Boulevard project.

The prepaid land use right, and property, plant and equipment decreased by RMB2.4 million was mainly due to amortisation/depreciation charge of RMB2.4 million for 9M2015.

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

#### **Current liabilities**

Trade and other payables, which mainly comprised of amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB808.2 million and RMB1,255.8 million at the end of FY2014 and 9M2015 respectively. The increase of RMB447.6 million in trade and other payables was mainly due to (a) addition of RMB249.5 million from customers for pre-sales of properties that did not meet sales recognition criteria; and (b) an increase of RMB198.1 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 the 45% shareholding held by the minority interest in a PRC subsidiary, Sihui Debao Jiangnan Mingju Property Development Co., Ltd, 32% shareholding held by the minority interest in a PRC subsidiary, Guangxi Hezhou Deneng Mining Co., Ltd, and 42.2% shareholding held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co, Ltd.

At the end of FY2014 and 9M2015, shareholders' equity amounted to RMB1,601.7 million and RMB1,453.7 million respectively. The decrease in equity was mainly due to the loss incurred in the current period and dividend distribution. The final one-tier-tax-exempt dividend of 0.23 Singapore cents per ordinary share for the financial year ended 31 December 2013 has been distributed in May 2015, and the dividend was amounting to RMB1,206.1. (Details please refer to the Company's announcement dated on 24 April 2015).

#### **Cash flow statement**

Our Group has a net cash inflow from operating activities of RMB68.2 million during 9M2015, which comprised of operating cash outflows before movements in working capital of RMB31.4 million, adjusted for net working capital from operations of RMB321.8 million and net of finance cost and interest received as well as income tax paid of RMB203.5 million and RMB18.7 million respectively. The net working capital inflows were mainly due to the decrease in trade and other receivables and increase in trade and other payables as explained above, partially offset by increase in development properties (also as explained above) during the current reporting period.

The net cash outflows from investing activities of RMB42.8 million mainly pertained to the addition of investment properties and partially offset by disposal of other investment in 9M2015.

The Group recorded a net cash inflow from financing activities of RMB449.3 million during 9M2015. This was mainly due to new loans raised of RMB1,269.9 million, partially offset by repayment of RMB776.4 million bank and other loan and dividend payment of RMB12.1 million, and the payment of RMB34.4 million pledged cash along with the new bank loans raised.

With the above, the Group has a net increase in cash and cash equivalents of RMB474.7 million for 9M2015.

9. *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

The results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement for the full year ended 31 December 2014 and period ended 31 March 2015 and 30 June 2015 respectively..





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

### **Market Outlook**

Despite tight macro control policies, we have observed that transacted property average selling prices per sqm in Foshan has been holding steadily with a slight decrease of 0.54% during the current reporting period, from RMB8,527 per sqm<sup>(1)</sup> in 9M2014 to RMB8,481 per sqm<sup>(1)</sup> in 9M2015. However, transaction volumes have increased from 6.5314 million sqm<sup>(1)</sup> in 9M2014 to 10.3563 million<sup>(1)</sup> in 9M2015, a increase of approximately 58.56%.

### **Project Updates**

As at 30 September 2015, the Group has three development projects with a gross floor area (“GFA”) of approximately 0.96 million sqm under development and approximately 0.43 million sqm of land held for future development. These are expected to be separately completed in various phases up to 2017, providing us with secure and visible business growth opportunities in the foreseeable future. In relation to commercial projects, apart from Sihui City Mall-a residential and shopping mall development project, the Group has a redevelopment project (hotel and shopping mall) in Tianjin Heping District, Nanshi Hotels Street (天津市和平区南市旅馆街)-Tianjin Boulevard. At the same time, the Group will continue to source for quality and commercially viable new land reserves both in China and overseas, including retail mall development, redevelopment of industrial land as well as tourism development projects.

#### **Shanshui Longpan, Phase 1 and Phase 1(ii) villas**

The Shanshui Longpan, Phase 1 and Phase 1(ii) villas have a saleable GFA of approximately 69,900 sqm (*revised*) and 36,300 sqm (*revised*) respectively, of which approximately 69,900 sqm and 36,300 sqm have been launched for pre-sales as at 30 September 2015. Starting from October 2011, the Group has handed over those completed units of Phase 1 villas to the buyers in batches. We have also commenced the handover of the Phase 1(ii) villas in batches since October 2012.

#### **Shanshui Longpan, Phase 3 high rise**

Phase 3 high rise of Shanshui Longpan, the construction works of which started since March 2013, have a GFA of approximately 710,000 (*revised*) sqm, of which approximately 80,000 sqm have been launched for pre-sales and approximately 52,200 sqm have contracted intention to purchase as at 30 September 2015.

#### **Sihui City Mall**

Sihui City Mall have a GFA of approximately 155,100 (*revised*) sqm, of which approximately 130,500 sqm have been launched for pre-sales and approximately 26,100 sqm have contracted intention to purchase as at 30 September 2015.



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

### Jin Long Garden – South Zone (Phase 2)

The total saleable GFA of Jin Long Garden – South Zone (Phase 2) is approximately 83,700 sqm (revised), of which approximately 81,600 sqm have been launched for pre-sales (in stages) as at 30 June 2015 and some of those completed units have been handed over to the buyers since early July 2012.

The accumulated sales/pre-sales<sup>(2)</sup> status of our projects as at 30 September 2015 are as follows :

Projects	Sales/Pre-sales Value - RMB'000	Sales/Pre-sales GFA - Sq m	Approximate ASP/Sq m – RMB	Estimated Percentage of Completion
Shanshui Longpan Phase 1 Villas	736,618	52,279	14,090	99%-100%
Shanshui Longpan Phase 1(ii) Villas	217,777	13,169	16,538	100%
Jin Long Garden – South Zone	798,028	78,472	10,170	100%
Jiangnan Minju Phases 5 and 6	985,097	144,781	6,804	100%
Shanshui Longpan Phase 3 High Rises	256,478	52,095	4,923	20%
Sihui City Mall	200,272	26,022	7,696	97%
<b>Total</b>	<b>3,194,270</b>	<b>366,817</b>	<b>8,708</b>	<b>NA</b>

The sales/pre-sales<sup>(2)</sup> of our projects for 9M2015 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	44,337	2,627	16,876	99%-100%
Shanshui Longpan Phase 1(ii) Villas	31,159	1,958	15,913	100%
Jin Long Garden – South Zone	51,634	5,767	8,953	100%
Jiangnan Minju Phases 5 and 6	-	-	-	100%
Shanshui Longpan Phase 3 High Rises	106,324	22,496	4,726	20%
Sihui City Mall	70,612	13,849	5,099	97%
<b>Total</b>	<b>304,066</b>	<b>46,698</b>	<b>6,511</b>	<b>NA</b>



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

The sales/pre-sales<sup>(2)</sup> of our projects for 3Q2015 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	1,657	4	17,880	99%-100%
Shanshui Longpan Phase 1(ii) Villas	(3,052)	(603)	17,900	100%
Jin Long Garden – South Zone	22,020	2,095	10,509	100%
Jiangnan Minju Phases 5 and 6	-	-	-	100%
Shanshui Longpan Phase 3 High Rises	30,225	6,376	4,741	20%
Sihui City Mall	21,862	4,542	4,813	97%
<b>Total</b>	<b>72,712</b>	<b>12,414</b>	<b>5,857</b>	<b>NA</b>

Pursuant to the effect of INT FRS 115, the sales for Jiangnan Minju Phases 5 and 6 in 9M2015 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 9M2015 when handed over.

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

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

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

## 11. Dividend

(a) *Current Financial Period Reported on*

None.

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

None.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.



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

There is no dividend has been declared/recommended.

13. *Interested Person Transactions*

<b>Name of interested person</b>	<b>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) 9M2015</b>	<b>Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 9M2015</b>
Zhong Yu Xin <sup>(1)</sup>	S\$ 613,466 <sup>(4)</sup>	-
Yuan Le Sheng <sup>(2)</sup>	S\$ 115,805 <sup>(5)</sup>	-
Yuan Jia Jun <sup>(3)</sup>	S\$ 115,805 <sup>(5)</sup>	-

Notes:

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

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

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

(4) *Lease of Debao Hotel.*

(5) *Pre-sale of properties.*

BY ORDER OF THE BOARD

Yuan Le Sheng  
Executive Chairman and CEO

12 November 2015



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



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***Confirmation by the Board***

We, Yuan Le Sheng and Zhang Mao, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the half year ended 30 September 2015 results to be false or misleading in any material respect.

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

Yuan Le Sheng  
Executive Chairman and CEO

Zhang Mao  
Executive Director

12 November 2015