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UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2015 (“4Q and 2015”)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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)					
	4Q2015	4Q2014	% Change	2015	2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	204,879	40,035	412%	280,359	149,670	87%
Cost of sales	(167,379)	(67,711)	147%	(209,119)	(116,595)	79%
Gross profit	37,500	(27,676)	235%	71,240	33,075	115%
Other income	32,476	9,630	237%	38,245	12,603	203%
Selling and distribution expenses	(7,002)	(5,996)	17%	(22,817)	(30,851)	(26%)
Administrative expenses	(61,761)	(27,086)	128%	(114,601)	(64,380)	78%
Change in fair value of investment property	273,745	675,674	(59%)	273,745	675,674	(59%)
Finance costs	(23,898)	(46,713)	(49%)	(142,967)	(122,607)	17%
Profit before income tax	251,060	577,833	(57%)	102,845	503,514	(80%)
Income tax expenses	(74,302)	(177,377)	(58%)	(76,694)	(181,760)	(58%)
Net profit for the period	176,758	400,456	(56%)	26,151	321,754	(92%)
Other comprehensive (loss) income						
Currency translation difference	(4,868)	11,000	(144%)	9,762	15,433	(37%)
Total Comprehensive profit for the period	171,890	411,456	(58%)	35,913	337,187	(89%)
Profit attributable to:						
Equity holders of the Company	176,309	184,787	(5%)	34,291	114,886	(70%)
Non-controlling interest	449	215,669	(100%)	(8,140)	206,868	(104%)
	176,758	400,456	(56%)	26,151	321,754	(92%)
Total comprehensive profit attributable to:						
Equity holders of the Company	171,441	195,787	(12%)	44,053	130,319	(66%)
Non-controlling interest	449	215,669	(100%)	(8,140)	206,868	(104%)
	171,890	411,456	(58%)	35,913	337,187	(89%)



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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 (continue).

Proforma Consolidated Statement of Comprehensive Income

	Proforma CFS (As defined herein)					
	4Q2015	4Q2014	% Change	2015	2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	204,879	40,035	412%	280,359	149,670	87%
Cost of sales	(156,879)	(66,215)	137%	(197,984)	(113,336)	75%
Gross profit	48,000	(26,180)	283%	82,375	36,334	127%
Other income	32,476	9,630	237%	38,245	12,603	203%
Selling and distribution expenses	(7,002)	(5,996)	17%	(22,817)	(30,851)	(26%)
Administrative expenses	(61,704)	(27,030)	128%	(114,375)	(64,049)	79%
Change in fair value of investment property	273,745	675,674	(59%)	273,745	675,674	(59%)
Finance costs	(23,898)	(46,713)	(49%)	(142,967)	(122,607)	17%
Profit before income tax	261,617	579,385	(55%)	114,206	507,104	(77%)
Income tax expenses	(76,891)	(177,766)	(57%)	(79,484)	(182,632)	(56%)
Net profit for the period	184,726	401,619	(54%)	34,722	324,472	(89%)
Other comprehensive (loss) income						
Currency translation difference	(4,868)	11,000	(144%)	9,762	15,433	(37%)
Total Comprehensive profit for the period	179,858	412,619	(56%)	44,484	339,905	(87%)
Profit attributable to:						
Equity holders of the Company	184,277	185,950	(1%)	42,862	117,604	(64%)
Non-controlling interest	449	215,669	(100%)	(8,140)	206,868	(104%)
	184,726	401,619	(54%)	34,722	324,472	(89%)
Total comprehensive profit attributable to:						
Equity holders of the Company	179,409	196,950	(9%)	52,624	133,037	(60%)
Non-controlling interest	449	215,669	(100%)	(8,140)	206,868	(104%)
	179,858	412,619	(56%)	44,484	339,905	(87%)



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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 (continue).*

Explanatory Notes:

As a result of the restructuring exercise of our Company and its subsidiaries (the “**Group**”) (the “**Restructuring Exercise**”) for the purpose of 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 cannot be established from the start of 1 January 2006 due to changes in legal ownership of our operating subsidiaries.

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

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

As a result, our gross profits and earnings for the fourth quarter and year ended 31 December 2014 (“**4Q2014 and 2014**”) and the fourth quarter and year ended 31 December 2015 (“**4Q2015 and 2015**”), 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 4Q2014, 2014, 4Q2015 and 2015 (the “**Actual Consolidated Financial Statements**” or “**Actual CFS**”), our Company had also prepared the proforma consolidated financial statements for 4Q2014, 2014, 4Q2015 and 2015 (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					
	4Q2015	4Q2014	% Change	2015	2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	1,517	999	52%	3,742	3,184	18%
Amortisation	55	56	(2%)	221	223	(1%)
Interest expense	23,898	46,713	(49%)	142,967	122,607	17%
Interest income	(4,943)	(9,183)	(46%)	(9,557)	(11,769)	(19%)

	Proforma Consolidated Statement of Comprehensive Income					
	4Q2015	4Q2014	% Change	2015	2014	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	1,460	942	55%	3,516	2,958	19%
Amortisation	55	56	(2%)	221	223	(1%)
Interest expense	23,898	46,713	(49%)	142,967	122,607	17%
Interest income	(4,943)	(9,183)	(46%)	(9,557)	(11,769)	(19%)



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

Statements of Financial Position

	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2015 RMB'000	31.12.2014 RMB'000	31.12.2015 RMB'000	31.12.2014 RMB'000	31.12.2015 RMB'000	31.12.2014 RMB'000
ASSETS						
Current assets						
Cash and bank equivalents	177,424	140,322	177,424	140,322	37	47
Restricted cash and cash equivalents	401,751	324,762	401,751	324,762	-	-
Trade and other receivables	526,147	444,604	526,147	444,604	-	-
Amount due from related parties	7,064	3,934	7,064	3,934	-	-
Due from subsidiaries	-	-	-	-	610,154	652,659
Amount due from customers for contract work	590	1,447	590	1,447	-	-
Inventories	262	247	262	247	-	-
Property held for sales	57,087	430,952	47,890	421,397	-	-
Assets held for sales	35,000	-	35,000	-	-	-
Development properties	2,421,988	1,708,435	2,164,068	1,439,738	-	-
Prepaid land use right	223	223	223	223	-	-
Dividends receivable	-	-	-	-	21,572	22,038
Total current assets	3,627,536	3,054,926	3,360,419	2,776,674	631,763	674,744
Non-current Assets						
Prepaid land use right	4,587	4,808	4,587	4,808	-	-
Property, plant and equipment	22,838	25,922	19,735	22,593	-	-
Investment properties	2,428,044	2,001,707	2,428,044	2,001,707	-	-
Joint venture	17,462	235,621	17,462	235,621	-	-
Trade and other receivables	10,000	20,000	10,000	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	-	-
Total non-current assets	2,498,646	2,304,273	2,495,543	2,300,944	1,815	1,815
Total assets	6,126,182	5,359,199	5,855,962	5,077,618	633,578	676,559
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Bank and other loans	1,356,615	1,335,527	1,356,615	1,335,527	-	-
Trade and other payables	1,218,457	808,188	1,218,457	808,188	694	8,963
Long term payable-current portion	22,297	19,538	22,297	19,538	-	-
Amount due to related parties	36,887	131,370	36,887	131,370	-	-
Due to subsidiaries	-	-	-	-	47,500	34,946
Tax payables	78,623	112,580	78,623	112,580	-	-
Total current liabilities	2,712,879	2,407,203	2,712,879	2,407,203	48,194	43,909
Non-current liabilities						
Bank and other loans	1,339,036	834,526	1,339,036	834,526	-	-
Trade and other payables	20,663	20,663	20,663	20,663	-	-
Long term payable	156,158	157,869	156,158	157,869	-	-
Deferred tax liabilities	399,239	337,230	333,044	268,245	-	-
Total non-current liabilities	1,915,096	1,350,288	1,848,901	1,281,303	-	-
Shareholders' equity	1,498,207	1,601,708	1,294,182	1,389,112	585,384	632,650
Total liabilities and Shareholders' equity	6,126,182	5,359,199	5,855,962	5,077,618	633,578	676,559



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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 (continue).*

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 investment properties, development properties and investments in jointly controlled operations as well as the associated tax effect on the fair value of these tangible assets) as at the respective dates of legal completion of the acquisitions of each PRC subsidiary as the book values of these assets in the Actual Consolidated Financial Statements, as compared 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.

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

	Group (Actual CFS)	
	31.12.2015	31.12.2014
	RMB'000	RMB'000
Amount repayable in one year on less, or on demand		
Secured (a) (b)	1,333,336	1,325,527
Unsecured (c)	23,279	10,000
Sub-total (1)	1,356,615	1,335,527
Amount repayable after one year		
Secured (a) (b)	1,339,036	816,247
Unsecured (c)	-	18,279
Sub-total (2)	1,339,036	834,526
Total debt (1)+(2)	2,695,651	2,170,053



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

Notes:

Bank loans

- (a) Bank loans amounting to RMB15,098,000 (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 RMB3,517,000 (2014: RMB7,249,000) and are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB11,581,000 (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 RMB38,000,000 (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 RMB85,000,000 (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 RMB22,238,000 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 RMB32,600,000 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.

Bank loan amounting to RMB186,541,000 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 RMB116,574,000 (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. RMB98,369,000 (2014: RMB183,704,000) has been advanced to the Group. 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 RMB49,200,000 (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 RMB384,000,000 (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 RMB54,859,000 (2014: RMB164,577,000) are repayable in twelve (12) months, while the non-current portion of these loans amounted to RMB329,141,000 (2014: RMB384,012,000).

Other loan amounting to RMB324,736,000 (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 RMB29,520,000 (2014: RMB10,000,000) with an effective interest rate of 36% (2014: 24%) per annum, are repayable in 2016, guaranteed by other subsidiary of the Group.

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

Other loan raised in 2015 amounting to RMB49,842,000 with an effective interest rate of 24% per annum, are repayable in 2016, guaranteed by other subsidiary of the Group.

Other loan raised in 2015 amounting to 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.

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 2016 and unsecured.

Other loan amounting to RMB5,000,000 with an effective interest rate of 24% per annum, are repayable in 2016 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			
	4Q2015	4Q2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	251,060	577,833	102,845	503,514
Adjustments for:				
Depreciation and amortisation	1,572	1,055	3,963	3,407
Interest expense	23,898	46,713	142,967	122,607
Interest income	(4,943)	(9,183)	(9,557)	(11,769)
Change of fair value of investment properties	(273,745)	(675,674)	(273,745)	(675,674)
Unrealised exchange loss	31,102	21,288	31,102	21,288
Operating profit (loss) before working capital changes	28,944	(37,968)	(2,425)	(36,627)
Trade and other receivables	(230,553)	85,024	(108,819)	(108,135)
Development properties	(309,101)	(233,436)	(539,541)	(452,647)
Property held for sales	357,293	29,042	373,865	64,974
Amount due from customers for contract work	420	(803)	857	10,405
Inventories	(6)	49	(15)	2
Trade and other payables	(151,850)	307,564	279,359	369,158
Amounts due to related parties	(76,816)	36,793	(94,483)	34,169
Net cash (used in) from operations	(381,669)	186,265	(91,202)	(118,701)
Interest paid	(64,431)	(151,387)	(272,564)	(239,374)
Interest received	4,943	9,147	9,557	11,733
Income taxes paid	(3,284)	(11,073)	(22,040)	(50,045)
Net cash (used in) from operating activities	(444,441)	32,952	(376,249)	(396,387)
Cash flows from investing activities				
Payment for purchase of defaulted loans from a bank	-	(67,000)	-	(67,000)
Addition in investment property	(117,617)	(2,640)	(160,951)	(21,550)
Purchases of properties, plant and equipment	(658)	(763)	(658)	(2,625)
Advance to joint venture	(17,461)	(235,621)	(17,461)	989
Repayment from joint venture	186,900	-	186,900	-
Disposal of other investment	-	-	500	-
Interest received	-	36	-	36
Net cash from (used in) investing activities	51,164	(305,988)	8,330	(341,717)
Cash flows from financing activities				
Amounts due from related parties	(5,465)	(1,300)	(3,130)	1,764
Fixed deposit	(42,551)	(166,511)	(76,989)	(56,607)
Dividend paid	-	-	(12,061)	-
Proceeds from bank and other loans	19,297	110,605	1,289,169	1,277,454
Repayment of bank and other loans	(1,896)	(82,879)	(778,290)	(484,726)
Net cash (used in) from financing activities	(30,615)	(140,085)	418,699	737,885
Net (decrease) increase in cash and cash equivalents	(423,892)	(413,121)	50,780	(219)
Cash and cash equivalents at the beginning of the periods	614,931	552,794	140,322	141,223
Effects of exchange rate changes on the balance of cash held in foreign currency	(13,615)	649	(13,678)	(682)
Cash and cash equivalents at the end of the periods	177,424	140,322	177,424	140,322



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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 (continue).

	Proforma CFS			
	4Q2015	4Q2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	261,617	579,385	114,206	507,104
Adjustments for:				
Depreciation and amortisation	1,515	998	3,737	3,181
Interest expense	23,898	46,713	142,967	122,607
Interest income	(4,943)	(9,183)	(9,557)	(11,769)
Change of fair value of investment properties	(273,745)	(675,674)	(273,745)	(675,674)
Unrealised exchange loss	31,102	21,288	31,102	21,288
Operating profit (loss) before working capital changes	39,444	(36,473)	8,710	(33,263)
Trade and other receivables	(230,553)	85,024	(108,819)	(108,135)
Development properties	(319,434)	(237,007)	(550,318)	(457,531)
Property held for sales	357,126	31,118	373,507	66,494
Amount due from customers for contract work	420	(803)	857	10,405
Inventories	(6)	49	(15)	2
Trade and other payables	(151,850)	307,564	279,359	369,158
Amounts due to related parties	(76,816)	36,793	(94,483)	34,169
Net cash from (used in) operations	(381,669)	186,265	(91,202)	(118,701)
Interest paid	(64,431)	(151,387)	(272,564)	(239,374)
Interest received	4,943	9,147	9,557	11,733
Income taxes paid	(3,284)	(11,073)	(22,040)	(50,045)
Net cash (used in) from operating activities	(444,441)	32,952	(376,249)	(396,387)
Cash flows from investing activities				
Payment for purchase of defaulted loans from a bank	-	(67,000)	-	(67,000)
Addition in investment property	(117,617)	(2,640)	(160,951)	(21,550)
Purchases of properties, plant and equipment	(658)	(763)	(658)	(2,625)
Advance to joint venture	(17,461)	(235,621)	(17,461)	989
Repayment from joint venture	186,900	-	186,900	-
Disposal of other investment	-	-	500	-
Interest received	-	36	-	36
Net cash from (used in) investing activities	51,164	(305,988)	8,330	(341,717)
Cash flows from financing activities				
Amounts due from related parties	(5,465)	(1,300)	(3,130)	1,764
Fixed deposit	(42,551)	(166,511)	(76,989)	(56,607)
Dividend paid	-	-	(12,061)	-
Proceeds from bank and other loans	19,297	110,605	1,289,169	1,277,454
Repayment of bank and other loans	(1,896)	(82,879)	(778,290)	(484,726)
Net cash (used in) from financing activities	(30,615)	(140,085)	418,699	737,885
Net (decrease) increase in cash and cash equivalents	(423,892)	(413,121)	50,780	(219)
Cash and cash equivalents at the beginning of the periods	614,931	552,794	140,322	141,223
Effects of exchange rate changes on the balance of cash held in foreign currency	(13,615)	649	(13,678)	(682)
Cash and cash equivalents at the end of the periods	177,424	140,322	177,424	140,322

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.



DEBAO PROPERTY
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 2014	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)
Balance as at 31 March 2014	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)
Balance as at 30 June 2014	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)
Balance as at 30 September 2014	909,831	215,378	6,254	23,887	396	17,788	1,173,534	16,718	1,190,252
Total comprehensive (loss) profit for the period	-	184,787	11,000	-	-	-	195,787	215,669	411,456
Balance as at 31 December 2014	909,831	400,165	17,254	23,887	396	17,788	1,369,321	232,387	1,601,708
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	-	-	-	(4,060)	(3,996)	(8,056)
Balance as at 31 March 2015	909,831	364,930	33,315	23,887	396	17,788	1,234,942	21,523	1,256,465
Total comprehensive (loss) profit 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
Total comprehensive (loss) profit for the period	-	176,309	(4,868)	-	-	-	171,441	449	171,890
Purchasing shares of subsidiary from MI	-	-	-	-	86,328	-	86,328	(213,681)	(127,353)
Balance as at 31 December 2015	909,831	422,395	27,016	23,887	86,724	17,788	1,487,641	10,566	1,498,207



DEBAO PROPERTY
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 (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 2014	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)
Balance as at 31 March 2014	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)
Balance as at 30 June 2014	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)
Balance as at 30 September 2014	909,831	138,559	6,254	(148,414)	31,442	396	21,707	959,775	16,718	976,493
Total comprehensive (loss) profit for the period	-	185,950	11,000	-	-	-	-	196,950	215,669	412,619
Balance as at 31 December 2014	909,831	324,509	17,254	(148,414)	31,442	396	21,707	1,156,725	232,387	1,389,112
Balance as at 1 January 2014	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 2014	909,831	289,459	33,315	(148,414)	31,442	396	21,707	1,137,736	223,813	1,361,549
Total comprehensive (loss) profit 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 2014	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 2014	909,831	171,033	31,884	(148,414)	31,442	396	21,707	1,017,879	223,798	1,241,677
Total comprehensive (loss) profit for the period	-	184,277	(4,868)	-	-	-	-	179,409	449	179,858
Purchasing shares of subsidiary from MI	-	-	-	-	-	86,328	-	86,328	(213,681)	(127,353)
Balance as at 31 December 2014	909,831	355,310	27,016	(148,414)	31,442	86,724	21,707	1,283,616	10,566	1,294,182



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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).

	Company			
	Share capital RMB'000	Accumulated losses RMB'000	Translation reserve RMB'000	Total RMB'000
Balance as at 1 January 2014	909,831	(245,208)	(12,429)	652,194
Total comprehensive loss profit for the period	-	(1,419)	21,186	19,767
Balance as at 31 March 2014	909,831	(246,627)	8,757	671,961
Total comprehensive loss profit for the period	-	(1,560)	9	(1,551)
Balance as at 30 June 2014	909,831	(248,187)	8,766	670,410
Total comprehensive loss for the period	-	(1,438)	(14,824)	(16,262)
Balance as at 30 September 2014	909,831	(249,625)	(6,058)	654,148
Total comprehensive loss for the period	-	(3,201)	(18,297)	(21,498)
Balance as at 31 December 2014	909,831	(252,826)	(24,355)	632,650
Balance as at 1 January 2015	909,831	(252,826)	(24,355)	632,650
Total comprehensive loss profit 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 2015	909,831	(268,811)	(55,217)	585,803
Total comprehensive loss for the period	-	(18,036)	17,617	(419)
Balance as at 31 December 2015	909,831	(286,847)	(37,600)	585,384



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

Nil

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

There are no treasury shares as at 31 December 2014 and 31 December 2015
Number of ordinary shares and share capital of our Company as at the balance sheet dates:

	31.12.2015		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 (continue).*

The Group has applied the same accounting policies and methods of computation in its unaudited financial statements for 4Q2015 and 2015 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 4Q2015 and 2015 unaudited financial statements.



以人为本 稳定发展 房产先锋

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			
	4Q2015	4Q2014	2015	2014
Profit Per Share				
Basic (a)	15.67	16.43	3.05	10.21

RMB fens	Proforma CFS			
	4Q2015	4Q2014	2015	2014
Profit Per Share				
Basic (a)	16.38	16.53	3.81	10.45

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

RMB fens	Group				Company	
	Actual CFS		Proforma CFS		Actual CFS	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net asset value per ordinary share based on issued share capital at end of financial year*	133.17	142.37	115.04	123.48	52.03	56.24

- * Net asset value per share has been computed based on the ordinary shares 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 4Q2015 and 2015

	31.12.2015		Difference
	Actual*	Proforma**	***
	RMB'000	RMB'000	RMB'000
<u>Balance sheet items</u>			
Property held for sales	57,087	47,890	9,197
Development properties	2,421,988	2,164,068	257,920
Property, plant and equipment	22,838	19,735	3,103
Investment in a jointly controlled operation	399,239	333,044	66,195
Deferred tax liabilities	1,498,207	1,294,182	204,025
Shareholders' equity	57,087	47,890	9,197

	4Q2015		Difference	2015		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	(167,379)	(156,879)	(10,500)	(209,119)	(197,984)	(11,135)
Administrative expenses	(61,761)	(61,704)	(57)	(114,601)	(114,375)	(226)
Income tax expense	(74,302)	(76,891)	2,589	(76,694)	(79,484)	2,790
Profit for the period/year	176,758	184,726	(7,968)	26,151	34,722	(8,571)

* 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 (continue) :*

Review based on unaudited Actual Consolidated Financial Statements

Income statement

Revenue

Our Group's revenue increased by RMB130.7 million, or 87%, from RMB149.7 million in 2014 to RMB280.4 million in 2015. Most of the revenue was contributed from property development sales. The revenue from our property development sales increased by RMB130.7 million, from RMB116.2 million in 2014 to RMB246.9 million in 2015. The increase in revenue from the property development sales was mainly due to a higher GFA sold and recognized and a lower average selling price ("ASP") per square metre ("sqm") achieved in 2015 compared with the previous corresponding year. The GFA sold and recognised in 2014 and 2015 was 8,600 sqm and 38,400 sqm respectively, the increase in GFA sold was due to the handover of Shanshui Longpan Phase 3 high-rise flats No.1-6 in the fourth quarter of 2015, while the ASP per sqm had decreased from approximately RMB14,000 per sqm in 2014 to approximately RMB6,600 per sqm in 2015 as the lower price of Shanshui Longpan Phase 3 high-rise.

The increase in revenue was also contributed by an increase in revenue contribution from property management service income of RMB5.3 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.

While there was a decrease in revenue contribution from construction contracts of RMB3.1 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.

Furthermore, there was a decrease in revenue contribution from property rental income of RMB2.2 million, mainly caused by the decrease in property rental income from our investment property as the disposal of Shishan land together with the properties built on the Land(details please see our corporate announcement dated 31 July 2015).

For the quarter, the Group's revenue increased by RMB164.8 million, or 412%, from RMB40.0 million in 2014 to RMB204.8 million in 2015. This was mainly due to an increase of revenue from property development sales attributed to a higher GFA recognised in 4Q2015.



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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 (continue) :*

Cost of Sales and Gross Profit

Our cost of sales increased by RMB92.5 million, or 79%, from RMB116.6 million in 2014 to RMB209.1 million in 2015. This was mainly caused by an increase in cost of property development sales by RMB89.2 million, which were fairly in line with the increase of GFA sold and recognised.

Included in the 2015 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 RMB11.1 million. The fair value of adjustment to the cost of property development sales is due mainly 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 subsidiaries 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 cost of property development sales when the Group recorded sales for their sold properties during 2015.

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 the attributed fair values of these properties over the corresponding historical book values at 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 RMB228.6 million as at end of 2015, 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 RMB260.1 million **(excluding the offset against a deferred tax liability adjustment of approximately RMB65.0 million, which will result in net future fair value adjustments of approximately RMB195.1 million only).**

In terms of gross profit margin, there was a revision of construction cost of RMB31.9 million for Jin Long Garden, a jointly controlled project which we held 55% stake, as a result of compensation for land cost caused by area difference between planning area and gross floor area. Excluding the revision of cost, our overall gross profit margin decreased from 43% in 2014 to 25% in 2015, as a result of a decrease in gross profit margin from property development sales due to a lower ASP per sqm derived from Phase 3 high-rise of Shanshui Longpan (山水龙盘), the ASP per sqm was approximately RMB 14,000 per sqm and RMB 6,600 per sqm for 2014 and 2015 respectively.

Cost of sales increased by RMB99.7 million or 147% from RMB67.7 million 4Q2014 to RMB167.4 million 4Q2015. This was mainly caused by an increase in cost of property development sales by RMB100.1 million, which were fairly in line with the increase in GFA sold and recognised.



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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 (continue):*

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 2014 and 29% in 2015 respectively. 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 miscellaneous surcharge income from property management services.

Other income increased by RMB25.6 million or 203% in 2015 as compared with the prior respective periods, which was mainly caused by an increase of interest income from disposal of 50% of shareholdings in Foshan Degangjian.

Selling and Distribution Expenses

Selling expenses primarily comprise staff cost, advertising and promotion expenses, sales commissions, model room expenses and maintenance costs.

The selling and distribution expenses decreased by RMB8.0 million or 26% in 2015 and increased by RMB1.0 million or 17% in 4Q2015 as compared with the respective periods of last year. The higher selling and distribution expenses in 2014 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 RMB50.2 million or 78% in 2015 and RMB34.7 million or 128% in 4Q2015 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 and an increase of staff salaries and staff related expenses to meet staffing needs arising from our projects in Malaysia.



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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 (continue):*

Finance Costs

Finance cost, net of capitalised interest, recorded an increase of RMB20.4 million in 2015 and a decrease of RMB22.8 million in 4Q2015 over the respective periods in 2014. The substantial increase in finance costs in 2015 was mainly due to an increase in average loan balance from RMB1,763.0 million in 2014 to RMB2,432.8 million in 2015 (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.

Change in fair value of investment property

Change in fair value of investment property recorded an amount of RMB273.7 million in 2015. The substantial change in fair value of investment property in 2015 was mainly due to (i) part of development properties of Sihui City Mall which is used for rental has been transferred to investment properties in 2015, which achieved RMB123.1 million increase in fair value, (ii) phase 3 club of Shanshui Longpan which is used for rental has been transferred to investment properties in 2015, which achieved RMB49.8 million increase in fair value and (iii) plant, equipment and land use right in Danzao and other investment properties achieved RMB100.8 million increase in fair value.

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 increased by RMB0.6 million in 2015, which is almost equivalent as to last year.

Income Tax Expenses

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”). Income tax decreased by RMB105.1 million and RMB103.1 million in 2015 and 4Q2015 respectively as compared with the corresponding periods in 2014. The lower income tax expenses in 2015 and 4Q2015 were mainly due to decrease of provision of statutory enterprise income tax and land appreciation tax, in line with the decrease of the profit before income tax and a lower ASP per sqm 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).



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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 (continue) :*

Net Profit

With the above, the Group recorded a net profit of RMB26.2 million in 2015 and RMB321.8 million in 2014 respectively. The Proforma Consolidated Financial Statements, which excludes the notional adjustment, effects with a better comparability of the Group's performance, has presented a net profit of RMB34.7 million in 2015 and RMB324.5 million in 2014 respectively.

Statement of Financial Position

Current Assets

Current assets comprise mainly development properties, properties held for sale, cash and bank balances, trade and other receivables and restricted cash and cash equivalents. Our current assets as at the end of FY2014 and FY2015 amounted to approximately RMB3,054.9 million and RMB3,627.5 million respectively.

The largest component of our current assets was development properties, which amounted to approximately RMB1,708.4 million and RMB2,422.0 million as at the end of FY2014 and FY2015 respectively. Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately 56% and 67% of our current assets as at the end of FY2014 and FY2015 respectively. The RMB713.6 million or 42% increase in development properties was mainly due to the increase of 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 RMB431.0 million and RMB57.1 million as at the end of FY2014 and FY2015 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 31 December 2015 increased by RMB37.1 million or 26% to RMB177.4 million as compared with 31 December 2014, which was primarily attributable to the net cash from financing activities of RMB418.7 million, and net cash from investing activities of RMB8.3 million, partially offset by net cash used in operating activities of RMB376.2 million in 2015 respectively.

In addition, restricted cash stood at RMB324.8 million and RMB401.8 million as at end of FY2014 and FY2015 respectively. The increase was due to the addition of RMB77.0 million pledged cash along with the withdrawal of new bank loans.



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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 (continue) :*

Current Assets

Trade and other receivables stood at approximately RMB444.6 million and RMB526.1 million at the end of FY2014 and FY2015 respectively. The increases of RMB81.5 million in trade and other receivables were mainly due to payment of: (i) RMB169.2 million of prepayment of land cost to purchase the lands in Malaysia; (ii) addition of tax prepayment of RMB39.7 million for the presale properties; and partially offset by 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; and (iv) RMB23.0 million of defaulted loans

Amount due from customers for contract works stood at RMB1.4 million and RMB0.6 million as at end of FY2014 and FY2015 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 FY2015, our non-current assets had an aggregate net book value of approximately RMB2,304.3 million and RMB2,498.6 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 Shanshui Longpan Hotel buildings, phase 3 club of Shanshui Longpan, Tianjin Boulevard buildings and Sihui City Mall. The carrying amount of our investment properties was approximately RMB2,001.7 million and RMB2,428.0 million as at the end of 2014 and 2015, which accounted for approximately 87% and 97% of our non-current assets as at the end of 2014 and 2015 respectively. The increase of RMB426.3 million in the investment properties included (i) the fair value change of RMB273.7 million base on the valuation done by independent professional valuer; (ii) RMB101.9 million development properties of Sihui City Mall which is used for rental has been transferred to investment properties; (ii) RMB24.4 million development properties of phase 3 club of Shanshui Longpan which is used for rental has been transferred to investment properties; and (iii) RMB26.3 million for the redevelopment expenditure of Tianjin Boulevard project.

The prepaid land use right, and property, plant and equipment decreased by RMB3.3 million was mainly due to amortisation/depreciation charge of RMB4.0 million for 2015, which was partially offset by purchase of office equipments and vehicle.



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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 (continue) :*

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 RMB1,218.5 million at the end of FY2014 and FY2015 respectively. The increase of RMB410.3 million in trade and other payables was mainly due to (i) addition of RMB176.5 million from customers for pre-sales of properties that did not meet sales recognition criteria; (ii) RMB30.0 million of balance of consideration for acquisition 45% shareholdings of Sihui Debao from MI; and (iii) an increase of RMB203.8 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 (continue):*

Shareholders' equity

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to 34% 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 2014 and 2015, shareholders' equity amounted to RMB1,601.7 million and RMB1,498.2 million respectively. The decrease in equity was mainly due to 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), which was partially offset by the profit incurred in the current period.

Cash flow statement

The Group has a net cash outflow from operating activities of RMB376.2 million during 2015, which comprised operating cash outflow before movements in working capital of RMB2.4 million, adjusted for net working capital used in operations of RMB88.8 million and net of finance cost and interest received as well as income tax paid of RMB263.0 million and RMB22.0 million respectively. The net working capital outflows were mainly due to the increase in development properties and trade and other receivables as explained above, and partially offset by the increase in trade and other payables (also as explained above) during the current reporting period.

The net cash inflows from investing activities of RMB8.3 million mainly pertained to the receipt of RMB186.9 million of consideration for disposal of 50% shareholdings of Sanshui Deganjian, and partially offset by addition of investment properties and prepayment to joint venture in Malaysia of RMB178.4 million.

The Group recorded a net cash inflow from financing activities of RMB418.7 million during 2015. This was mainly due to new loans raised of RMB1,289.2 million, partially offset by repayment of RMB778.3 million banks and other loans and dividend payment of RMB12.1 million, and the payment of RMB77.0 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 RMB37.1 million for 2015.

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 periods ended 31 March 2015, 30 June 2015 and 30 September 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 increase of 0.93% during the current reporting period, from RMB8,484 per sqm⁽¹⁾ in 2015 to RMB8,563 per sqm⁽¹⁾ in 2014. Moreover, transaction volumes have increased from 8.5053 million⁽¹⁾ in 2014 to 12.1643 million⁽¹⁾ in 2015, an increase of approximately 41.70%.

Project Updates

As at 31 December 2015, the Group has five development projects with a gross floor area (“GFA”) of approximately 1.23 million sqm under development and approximately 0.44 million sqm of land held for future development, including three project located at Kuala Lumpur in Malaysia, Project Kuchai Lama, Project Cheras Mahkota and Imbi Land. These are expected to be separately completed in various phases up to 2019, 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 31 December 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 2(i) Villas

Phase 2(i) Villas of Shanshui Longpan, have a GFA of approximately 42,400 sqm, of which approximately 16,300 sqm have been launched for pre-sales and approximately 7,833.59sqm have contracted intention to purchase as at 31 December 2015.

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

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 54,219 sqm have contracted intention to purchase as at 31 December 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).*

Sihui City Mall

Sihui City Mall have a GFA of approximately 155,100 (revised) sqm, of which approximately 133,025 sqm have been launched for pre-sales and approximately 28,591 sqm have contracted intention to purchase as at 31 December 2015.

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) 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⁽²⁾ status of our projects as at 31 December 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	741,817	52,598	14,104	99%-100%
Shanshui Longpan Phase 1(ii) Villas	250,957	15,075	16,647	100%
Jin Long Garden – South Zone	798,028	78,472	10,170	100%
Jiangnan Minju Phases 5 and 6	985,342	144,807	6,805	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	267,062	54,219	4,926	80%
Sihui City Mall	211,881	28,591	7,411	96%
Shanshui Longpan Phase 2(i) Villas	55,786	7,834	7,121	60%
Total	3,310,873	381,595	8,676	NA



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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(2) of our projects for 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	49,536	2,946	16,813	99%-100%
Shanshui Longpan Phase 1(ii) Villas	64,339	3,865	16,648	100%
Jin Long Garden – South Zone	51,634	5,767	8,953	100%
Jiangnan Minju Phases 5 and 6	245	26	-	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	116,908	24,620	4,748	80%
Sihui City Mall	82,220	16,418	5,008	96%
Shanshui Longpan Phase 2(i) Villas	55,786	7,834	7,121	60%
Total	420,668	61,476	6,843	NA

The sales/pre-sales(2) of our projects for 4Q2015 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	5,199	319	16,300	99%-100%
Shanshui Longpan Phase 1(ii) Villas	33,180	1,907	17,402	100%
Jin Long Garden – South Zone	-	-	-	100%
Jiangnan Minju Phases 5 and 6	245	26	9,608	100%
Shanshui Longpan Phase 3 High Rises Flats No.1-10	10,584	2,124	4,982	80%
Sihui City Mall	11,608	2,569	4,519	96%
Shanshui Longpan Phase 2(i) Villas	55,786	7,834	7,121	60%
Total	116,602	14,778	7,890	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 2015 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 2015 when handed over.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic of the Group's performance in 2016, based on the continual sales activities of Shanshui Longpan, Jin Long Garden South Zone (Phase 2), Jiangnan Mingju Phases 5 and 6 and Sihui City Mall.

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

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



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11. *Dividend*

(a) *Current Financial Period Reported on*

None.

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

None.

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

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

Not applicable.

13. *Interested Person Transactions*

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2015	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 2015
Zhong Yu Xin ⁽¹⁾	S\$ 823,664 ⁽⁴⁾	-
Yuan Le Sheng ⁽²⁾	S\$ 115,805 ⁽⁵⁾	-
Yuan Jia Jun ⁽³⁾	S\$ 115,805 ⁽⁵⁾	-

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.*



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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. *Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.*

Group	Property development	Construction contract	Property investment	Property management	Others	Total
<u>2015</u>						
Revenue	246,908	(292)	16,184	17,567	(8)	280,359
RESULT						
Segment result	(141,985)	(13,019)	262,141	(579)	(3,713)	102,845
Profit before tax						102,845
Income tax						(76,694)
Profit after tax						26,151

Group	Property development	Construction contract	Property investment	Property management	Others	Total
<u>2014</u>						
Revenue	94,564	2,814	18,395	12,226	-	127,999
RESULT						
Segment result	(146,209)	(8,336)	663,235	3,644	(8,820)	503,514
Profit before tax						503,514
Income tax						(181,760)
Profit after tax						321,754

15. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.*

Please refer to Paragraph 8.

16. *A breakdown of sales*

	Actual			Proforma		
	2015	2014	Increase/	2015	2014	Increase/
	RMB'000	RMB'000	(Decrease)	RMB'000	RMB'000	(Decrease)
(a) Sales reported for first half year	39,458	67,086	(41%)	39,458	67,086	(41%)
(b) Operating loss after tax reported for first half year	(80,110)	(42,584)	88%	(79,812)	(41,586)	92%
(c) Sales reported for second half year	240,901	60,913	295%	240,901	60,913	295%
(d) Operating profit after tax reported for second half year	106,261	364,338	(71%)	114,534	366,058	(69%)



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17. *A breakdown of the total annual dividend (in SGD value) for the issuer's latest full year and its previous full year.*

Total Annual Net Dividend

	2015	2014
Ordinary Shares	Nil	Nil

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Yuan Jian Sheng	53	Brother of our Executive Chairman and CEO, Mr Yuan Le Sheng	Vice general manager of our subsidiary, Foshan Nanhai Guihe Construction Engineering Co., Ltd, 2014	Nil
Zheng Xiong Xian	47	Brother of our Non-Executive Director, Ms Zheng Lihua	Vice-general manager of our subsidiary, Sihui Debao jiangnanmingju Property Development Co., Ltd 2014	Nil
Zheng Xiong Wei	61	Brother of our Non-Executive Director, Ms Zheng Lihua	Property administrator 2014	Nil
Fang Zai Ming	54	Wife of our Executive Director, Mr Zhang Mao	Sales general manager, 2012	Nil

BY ORDER OF THE BOARD

Yuan Le Sheng
Executive Chairman and CEO

26 February 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 year ended 31 December 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

26 February 2016