



以人为本 稳定发展 房产先锋

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (“1Q2021”)**

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

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

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

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

	CFS (As defined herein)		
	1Q2021	1Q2020	% Change
	RMB'000	RMB'000	+ / (-)
Revenue	94,769	38,834	144%
Cost of sales	(59,740)	(25,198)	137%
<b>Gross profit</b>	<b>35,029</b>	<b>13,636</b>	<b>157%</b>
Other income (expenses), net	(1,156)	1,115	NM*
Selling and distribution expenses	(2,267)	(627)	262%
Administrative expenses	(10,777)	(11,609)	(7%)
Finance costs	(32,597)	(54,127)	(40%)
<b>Loss before income tax</b>	<b>(11,768)</b>	<b>(51,612)</b>	<b>(77%)</b>
Income tax expenses	(639)	(923)	(31%)
<b>Net loss for the period</b>	<b>(12,407)</b>	<b>(52,535)</b>	<b>(76%)</b>
<b>Other comprehensive income</b>			
Currency translation difference	18,753	(27,335)	NM*
<b>Total comprehensive profit (loss) for the period</b>	<b>6,346</b>	<b>(79,870)</b>	<b>NM*</b>
<b>Profit(loss) attributable to:</b>			
Equity holders of the Company	(9,911)	(51,014)	(81%)
Minority interests	(2,496)	(1,521)	64%
	<b>(12,407)</b>	<b>(52,535)</b>	<b>(76%)</b>
<b>Total comprehensive profit(loss) attributable to:</b>			
Equity holders of the Company	8,842	(78,349)	NM*
Minority interests	(2,496)	(1,521)	64%
	<b>6,346</b>	<b>(79,870)</b>	<b>NM*</b>

NM = Not meaningful



以人为本 稳定发展 房产先锋

1(a)(ii) Profit before income tax is arrived at after charging/ (crediting):

	1Q2021	1Q2020	% Change
	RMB'000	RMB'000	+ / (-)
Depreciation	406	565	(28%)
Interest expense	32,597	54,127	(40%)
Interest income	(15)	(217)	(93%)
Exchange loss / (gain)	(18,753)	27,335	NM*

NM = Not meaningful



以人为本 稳定发展 房产先锋

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	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
	RMB'000	RMB'000	RMB'00	RMB'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and bank equivalents	20,890	23,759	25	26
Trade and other receivables	386,217	448,007	947,526	1,295,211
Contract assets	19,254	18,650	-	-
Prepaid leases	81	81	-	-
Inventories	270	264	-	-
Property held for sale	27,445	27,290	-	-
Development properties	1,055,410	1,012,904	-	-
Disposal group assets classified as held-for-sale	48,735	48,735	-	-
<b>Total current assets</b>	<b>1,558,302</b>	<b>1,579,690</b>	<b>947,551</b>	<b>1,295,237</b>
<b>Non-current Assets</b>				
Prepaid leases	2,143	3,776	-	-
Property, plant and equipment	12,955	13,828	-	-
Investment properties	2,192,532	2,193,674	-	-
Investment in an associate	45	45	-	-
Financial asset, FVOCI	-	-	*	*
Deferred tax assets	19,017	19,017	-	-
<b>Total non-current assets</b>	<b>2,226,692</b>	<b>2,230,340</b>	<b>*</b>	<b>*</b>
<b>Total assets</b>	<b>3,784,994</b>	<b>3,810,030</b>	<b>947,551</b>	<b>1,295,237</b>
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Bank and other loans	1,367,504	1,342,577	-	-
Trade and other payables	706,905	721,869	14,864	358,664
Lease payables	37,223	36,446	-	-
Contract liabilities	99,921	99,921	-	-
Provisions	91,064	96,311	83,050	83,868
Tax payables	122,874	122,645	33,170	33,645
Liabilities directly associated with disposal assets classified as held-for-sale	46,735	46,735	-	-
<b>Total current liabilities</b>	<b>2,472,226</b>	<b>2,466,504</b>	<b>131,084</b>	<b>476,177</b>
<b>Non-current liabilities</b>				
Bank and other loans	327,283	356,986	-	-
Long term payables	185,438	155,277	-	-
Deferred tax liabilities	283,689	283,746	-	-
<b>Total non-current liabilities</b>	<b>796,410</b>	<b>796,009</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>	<b>516,357</b>	<b>547,517</b>	<b>816,467</b>	<b>819,060</b>
<b>Total liabilities and Shareholders' equity</b>	<b>3,784,994</b>	<b>3,810,030</b>	<b>947,551</b>	<b>1,295,237</b>

\* Less than RMB 1,000



以人为本 稳定发展 房产先锋

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

	Group CFS	
	31.03.2021	31.12.2020
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand:		
Secured	1,367,504	1,342,577
<b>Sub-total (1)</b>	<b>1,368,583</b>	<b>1,342,577</b>
Amount repayable after one year:		
Secured	327,283	356,986
<b>Sub-total (2)</b>	<b>327,283</b>	<b>356,986</b>
<b>Total debt (1)+(2)</b>	<b>1,694,787</b>	<b>1,699,563</b>



以人为本 稳定发展 房产先锋

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

The following loans are still outstanding:

**(a) Bank loans**

1. Loans from a lender amounting to RMB 22,900,000 (2020: RMB 22,900,000) with an effective interest rate at 8.5% (2020: 8.5%) per annum, is secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2021.
2. Loans from a lender amounting to RMB 33,000,000 (2020: RMB 34,000,000 ) with an effective interest rate at 5% (2020:34,000,000) per annum, is secured by investment properties and repayable in 2022.
3. Loans from a lender amounting to RMB 330,044,850 (2020: RMB 335,616,000) with an effective interest rate at 5.635% to 7.35% (2020: 5.635% to 7.35%) per annum, is secured by a shareholder of the Group and its subsidiaries, land use rights of the Group, property, plant and equipment and investment properties and repayable in 2032 to 2036.
4. Loans from a lender amounting to RMB 15,000,000 (2020: RMB 15,000,000) with an effective interest rate at 4.35% (2020:4.35%) per annum, is secured by investment properties and repayable in 2021.
5. Loans from a lender amounting to RMB 3,420,000 (2020: 3,510,000) with an effective interest rate at 5.8% (2020: 5.8%) per annum, is secured by commercial bills and repayable in 2030.
6. Loans from a lender amounting to RMB 23,510,000 (2020: Nil) with an effective interest rate from 4.35% to 8% (2020: Nil) per annum, is secured by property, plant and equipment and investment properties, restricted cash and cash equivalents and repayable in 2022.

**(b) Other loans**

1. Loans from a lender amounting to RMB 979,815,000 (2020: RMB 979,815,000) with an effective interest rate 6%\* (2020: 13.00%) per annum and are secured by a shareholder of the Group and its subsidiaries, properties held for sale, development properties, land use rights of the Group and investment properties .

\*Please refer to point 8 below



以人为本 稳定发展 房产先锋

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

**(b) Other loans**

2. To support the Group's operating cash flows requirements, the Group obtained loans from individuals and other non-financial institutions amounting to RMB 96,500,000. These loans bore average annual interest rate from 12% to 33.6%, are secured either by a guarantee given by a subsidiary, secured over properties held for sale, land use rights or investment properties of the Group. These loans are repayable within the next twelve months.
3. Loan from a lender amounting to RMB 190,597,000 (2020: RMB 190,597,000) with interest rate from 4.35%\* to 18% (2020: 15% to 20%) per annum, are secured by the shares of our subsidiaries.

The Company is aware of the lower interest rate environment globally and management will take the opportunity to re-negotiate for a lower interest rate with lenders, wherever possible, to lower the Company's effective cost of debt.

\*Please refer to point 8 below



以人为本稳定发展房产先锋

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

	Group CFS	
	1Q2021	1Q2020
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit after tax	(12,407)	(52,535)
Adjustments for:		
Income taxes expenses/(credit)	639	923
Depreciation and amortisation	406	565
Interest expense	32,597	54,127
Interest income	15	(217)
Unrealized exchange gain	(18,753)	(27,335)
<b>Operating profit before working capital changes</b>	<b>2,497</b>	<b>(24,472)</b>
Trade and other receivables	61,790	(16,851)
Contract assets	(604)	192
Development properties	(42,506)	16,235
Property held for sales	(155)	840
Inventories	(6)	-
Trade and other payables	9,950	31,613
<b>Net cash from operations</b>	<b>30,966</b>	<b>7,557</b>
Interest paid	(32,597)	(54,127)
Interest received	15	217
Income taxes paid	(466)	251
<b>Net cash from (used in) operating activities</b>	<b>(2,112)</b>	<b>(46,102)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of properties, plant and equipment	467	107
Proceeds from disposal (Addition) in investment property	1,142	(52)
<b>Net cash from (used in) investing activities</b>	<b>(1,609)</b>	<b>55</b>
<b>Cash flows from financing activities</b>		
Increase in fixed deposits and restricted cash	-	10,000
Prepaid leases	1,633	-
Lease payables	777	1,972
(Repayment) Drawing of bank and other loans, net	(4,776)	29,602
<b>Net cash used in financing activities</b>	<b>(2,366)</b>	<b>41,574</b>
Net (decrease) increase in cash and cash equivalents	(2,869)	(4,473)
Cash and cash equivalents at the beginning of the period	23,759	15,897
Cash and cash equivalents at the end of the period	<b>20,890</b>	<b>11,424</b>



以人为本稳定发展房产先锋

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 CFS								
	Share 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 2020</b>	909,831	(376,601)	(10,344)	23,886	86,726	-	633,498	(32,062)	601,436
Loss for the period	-	(51,014)	-	-	-	-	(51,014)	(1,521)	(52,535)
Other comprehensive loss for the period	-	-	(27,335)	-	-	-	(27,335)	-	(27,335)
<b>Balance as at 31 March 2020</b>	909,831	(427,615)	(37,679)	23,886	86,726	-	555,149	(33,583)	521,566
<b>Balance as at 1 January 2021</b>	909,831	(461,335)	29,768	23,886	86,726	-	588,876	(41,359)	547,517
Loss for the period	-	(9,911)	-	-	-	-	(9,911)	(2,496)	(12,407)
Other comprehensive loss for the period	-	-	(18,753)	-	-	-	(18,753)	-	(18,753)
<b>Balance as at 31 March 2021</b>	909,831	(471,246)	11,015	23,886	86,726	-	560,212	(43,855)	516,357





以人为本 稳定发展 房产先锋

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 2020</b>	909,831	(135,501)	47,702	822,032
Total comprehensive (loss)/profit for the period	-	31,156	(32,697)	(1,541)
<b>Balance as at 31 March 2020</b>	909,831	(104,345)	15,005	820,491
<b>Balance as at 1 January 2021</b>	909,831	(100,262)	9,491	819,060
Total comprehensive loss for the period	-	(1,137)	(1,456)	(2,593)
<b>Balance as at 31 March 2021</b>	909,831	(101,399)	8,035	816,467

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

Nil

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

There were no treasury shares as at 31 March 2021 and 31 December 2020 respectively.

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

	31.03.2021		31.12.2020	
	No of shares	S\$'000	No of shares	S\$'000
Issued and fully paid	74,999,688	143,750	74,999,688	143,750

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

Nil.

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

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



以人为本 稳定发展 房产先锋

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

Not applicable.

3A *Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-*

*(a) Updates on the efforts taken to resolve each outstanding audit issue.*

*(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.*

*This is not required for any audit issue that a material uncertainty relating to going concern.*

*Divestment of Profit Consortium Sdn. Bhd. ("Profit Consortium")*

This disclaimer arose mainly due to the shares sales of Profit Consortium of remaining 1% not completed before year end and thus the auditors could not ascertain whether the provision for impairment were adequate.

Debao is currently finalizing the details with potential buyers and is expected to conclude by the end of 2Q2021. When finalised, it would provide adequate information to auditors for making adequate provision for the impairments.

*Divestment of Poly Ritz Green (Malaysia) Sdn. Bhd. ("Poly Ritz")*

This disclaimer arose mainly due to the buyer of Poly Ritz refusing to provide auditors the books and records after transfer date.

Debao considered this issue resolved as this disclaimer will not carry forward to FY2021

*Litigation case involving key management of Foshan Nanhai Chuangxintian Hotel Management Co., Ltd. ("Chuangxintian")*

Chuangxintian is an associated company of the Group. During the period from 9 June 2020 to 17 July 2020, the directors of Chuangxintian, who were appointed by the majority shareholder (the "Majority Shareholder") of Chuangxintian, were arrested for suspect scam cases by Commercial Criminal Investigation Department of Municipal Public Security Bureau of Guangzhou City, Guangdong Province, the People's Republic of China. The cases are currently in the progress of investigations as at the date of this report.

We contacted the police in April 2021 to discuss the progress of investigation but we did not get any updates from the police.

In relation to the loan with Huarong, we are contacting Huarong on when they will commence due diligence for extension of loan. The Company will update shareholders if there are any updates on the loan arrangement.



以人为本 稳定发展 房产先锋

- (c) *Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.*

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed in these financial statements.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as compared with those used in the audited financial statements for the financial year ended 31 December 2020.

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.*

SGD	Group CFS	
	1Q2021	1Q2020
<b>Profit(Loss) Per Share</b>		
(i) Basic (a)	(0.032)	(0.14)

(a) Earnings per share has been computed based on the issued and paid-up ordinary shares capital of 74,999,688 shares using exchange rate 4.85 for RMB vs SGD. Please refer to item 1(d)(iii).



以人为本稳定发展房产先锋

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

RMB	Group		Company	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
Net asset value per ordinary share based on issued share capital at end of financial year*	6.88	7.30	10.89	10.92

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

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

## **Income statement**

### **Revenue**

The Group's revenue increased by RMB 55.9 million, or 144%, from RMB 38.8 million in 1Q2020 to RMB 94.8 million in 1Q2021. The increase in property sales by RMB 25.7 million was mainly due to increased sales in Bay One and the increase in construction revenue by RMB 30.0 million which was mainly due to new construction works awarded by other PRC property developers.

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

The Group's cost of sales increased by RMB 34.5 million, or 90.9%, from RMB 25.1 million in 1Q2020 to RMB 59.7 million in 1Q2021. This was mainly due to an increase in properties cost and construction cost which are in line with the increase in properties sales and construction revenue.

Our overall gross profit margin increased from 35.1% in 1Q2020 to 36.9% in 1Q2021, as a result of the product mix.



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 (continued):*

### **Other Income (Expenses), net**

Other income mainly includes interest income, miscellaneous expenses, surcharge income from property management services and other miscellaneous income offset by interest and other miscellaneous expenses. The increase in other miscellaneous expenses is mainly due to the one-off maintenance expenses for the properties for rental.

### **Selling and Distribution Expenses**

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

The selling and distribution expenses increased by RMB 1.6 million in 1Q2021 as compared to the previous corresponding period. The increase in selling and distribution expenses in 1Q2021 were due mainly to expenses incurred in marketing of the “Bay One” development project.

### **Administrative Expenses**

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

Administrative expenses decreased by RMB 0.8 million or 7.0% from RMB 11.6 million in 1Q2020 to RMB 10.7 million in 1Q2021. It was mainly attributable to the Group's continuing efforts to control the salary and bonus expenses.

### **Finance Costs**

Finance cost, net of capitalised interest, recorded a RMB 32.6 million in 1Q2021, while recorded a RMB54.1 million in 1Q2020. It is mainly due to the Group's remained loans with lower interest rate in 1Q2021. For loans from Huarong and Binhai which matured but not yet required to repay yet, we used the best lending rate as the law in Hong Kong and PRC required, which is 6% p.a. and 4.35% p.a. respectively and is lower than its original interest rate which makes the finance cost in 1Q2021 lower than 1Q2020.

### **Depreciation**

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



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 (continued):*

### **Income Tax Expenses**

Income tax includes statutory enterprise income tax and land appreciation tax (“LAT”). The increase is mainly due to the increase in revenue.

### **Currency Translation Difference**

The Group has overseas subsidiaries in Hong Kong, Malaysia and Singapore. The translation differences arose from the difference in exchange rates on overseas assets and liabilities. The major components that caused translation difference (1) USD loan amounting to USD 150 million; (2) investment properties and development properties in Malaysian Ringgit; and (3) Other assets and liabilities in overseas currencies.

The currency translation gains in 1Q2021 is mainly due to the appreciation of RMB against MYR and SGD which led to loss in Malaysia and Singapore assets, offset by the appreciation of RMB against USD which resulted in translation gain in our USD loan and liabilities.

### **Net Loss**

The Group recorded a net loss of RMB 12.4 million in 1Q2021, compared to a net loss of RMB 52.5 million in 1Q2020.

### **Statement of Financial Position as at 31 Mar 2020**

#### **Current Assets**

Current assets comprise mainly development properties, cash and bank balances, restricted cash and cash equivalents, property held for sales and trade and other receivables. Current assets amounted to approximately RMB 1,558 million in 1Q2021 compared to approximately RMB 1,580 million in FY2020.

The largest components of our current assets were development properties, property held for sales and trade and other receivables, which stood at RMB 1,451 million, as compared to RMB 1,488 million in FY2020.

Development properties, which include the cost of land, interest capitalised, and related costs, accounted for approximately RMB 1,055 million compared to RMB 1,012 million a year ago.

The Group's property held for sales increased by RMB 0.2 million, from RMB 27.3 million in FY2020 to RMB 27.5 million in 1Q2021.



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 (continued):*

Trade and other receivables stood at approximately RMB 386.2 million, which decreased by 61.8 million compared to RMB 448.0 million in FY2020. The decrease is mainly due to the increase in collection of the remaining proceeds after the purchaser have arranged their mortgages.

The Group's Net Working Capital (Current Assets- Current Liabilities) is negative largely due to the current loans which are payable in the next 12 months. Accordingly, the Group is in negotiations with the lenders to refinance the loan(s) as appropriate.

### **Non-current assets**

Non-current assets comprise mainly property, plant and equipment and investment properties. The amount stood at RMB 2,226.7 million compared to 2,230.3 million as at end of FY2020.

The net book value of investment properties was approximately RMB 2,192.5 million. These are held to generate rental income and/or for capital appreciation. Our investment properties comprise mainly of 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, Tianjin Boulevard buildings and Sihui City Mall.

The Group will engage a licensed valuer to perform a valuation appraisal of its properties as part of the FY2020 audit.

### **Current liabilities**

Trade and other payables, which mainly comprise amounts payable to contractors and suppliers and advance receipts from property development sales, stood at approximately RMB 706.9 million, approximately 2.1% lower than RMB 721.9 million as at 31 December 2020. The decrease in trade and other payables was mainly due to the due to payment for construction works.

### **Bank and Other Loans**

Please refer to item 1(b)(ii).



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 (continued):*

### **Shareholders' equity**

Equity is comprised of share capital, translation reserve, non-controlling interest and retained earnings. The non-controlling interest pertains to

- a) 32% shareholding held by the minority interest in a PRC subsidiary, Guangxi Hezhou De Neng Mining Co., Ltd;
- b) 42.2% shareholding held by the minority interest in a PRC subsidiary, Tianjin Hotel Street Co., Ltd;
- c) 60% shareholding held by the minority interest in a PRC subsidiary, Foshan Nanhai Chuang Xin Tian Hotel Management Co., Ltd;
- d) 19% shareholding held by the minority interest in a PRC subsidiary, Sihui Debao Jiangnan Mingju Property Development Co.,Ltd; and

Shareholders' equity amounted to RMB 516.3 million, representing a decrease of RMB 31.2 million from RMB 547.5 million at 31 December 2020 due to the loss and the translation gain incurred in this period.

### **Cash flow statement**

The Group has a net cash outflow in operating activities of RMB 2.1 million in 1Q2021, which comprise operating cash inflows before movements in working capital of RMB 2.5 million, in addition to net working capital generated from operations of RMB 28.5 million and adjusted by net use of finance cost and interest received as well as income tax of approximately RMB 33.1 million. The net working capital outflows were mainly due to net cash outflow by interest paid, and the increase in development properties offset by the working capital inflows of trade and other receivables during the current reporting period.

The net cash inflow in investing activities is RMB 1.6 million.

The Group recorded a net cash outflow in financing activities of RMB 2.3 million during 1Q2021. This was mainly due to the repayment in bank loans.

With the above, the Group has recorded a net decrease in cash and cash equivalents of RMB 2.9 million for 1Q2020.





以人为本 稳定发展 房产先锋

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 statement which was previously disclosed to shareholders in the results announcement for the financial year ended 31 December 2020.

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

### **Market Outlook**

As a result of the Government's policy to curb speculation, the property average selling price has stabilised. Transaction volumes are largely in-line with 3.2 million sqm in 1Q2021 vs. 4.2 million sqm in 4Q2020.

### **Project Updates**

#### **Projects in Malaysia**

1. Project Imbi ("The Landmark")  
The Landmark is a development project of twin residential towers. The towers are located in the CBD of Kuala Lumpur, opposite Tun Razak Exchange. Each tower consists of 73 floors and there are 1338 high-end service apartments in total. The towers have 2 swimming pools, a library, a mini golf park, a BBQ area, sky park and butler services to its residents. It also has a skyline restaurant to provide high end catering for its residents and the general public. We are concentrating our efforts in the completion of Bay ONE project first and expect to continue the development of Imbi project in FY2020 onwards.
2. Project Kuchai Lama  
It is a development project which consists of 4 apartment towers with 1128 mid class service apartments and 1948 car park lots. It is located in Kuchai Lama which is approximately 14 km from the center of Kuala Lumpur. The project has yet to commence.

Malaysia is now under strict Movement Control Order and we will closely monitor the situation. The Company will update shareholders if there are any updates on the projects in Malaysia.



以人为本 稳定发展 房产先锋

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

### Projects in China

#### 3. Tianjin Boulevard

A development project which consists of a hotel and a shopping mall. Total redevelopment area is approximately 40,000 sq meters. All redevelopment work has been completed. The Tianjin Boulevard project is expected to generate rental income till 2032.

#### 4. Bay One

A residential and shopping mall development project comprising 4 tower apartments each of 20 floors and 1 tower of hotel and apartments. The project consists of 1778 apartments with 4 blocks of street style commercial blocks and 739 car parks. The towers are located in a Tier 4 city Sihui.

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 31 March 2021 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
The Landmark-Malaysia	69,455	2,255	30,800	10%
Jin Long Garden–South Zone	853,234	87,363	9,767	100%
Jiangnan Mingju Phases 5 and 6	1,003,515	146,595	6,845	100%
Sihui City Mall	377,480	58,229	6,483	100%
Sihui Bay One	279,693	34,389	8,133	58%
<b>Total</b>	<b>2,583,377</b>	<b>328,831</b>	<b>7,856</b>	<b>NA</b>

The sales/pre-sales (See Note 2 below) of our projects for 1Q2021 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
The Landmark-Malaysia	-	-	-	10%
Jin Long Garden – South Zone	-	-	-	100%
Jiangnan Mingju Phases 5 and 6	-	-	-	100%
Sihui City Mall	-	-	-	100%
Sihui Bay One	42,669	4,974	8,578	58%
<b>Total</b>	<b>42,669</b>	<b>4,974</b>	<b>8,578</b>	<b>NA</b>

#### Notes

- (1) Source from Bureau of Housing and Urban-Rural Development of Foshan (<http://fszj.foshan.gov.cn/zwgk/zdxxgk/fdcsc/sjtj/>).
- (2) Sales/pre-sales with certainty on receipt of purchase consideration, including those not ready for handover or key collections.
- (3) The Landmark Malaysia was previously known as Imbi project.



以人为本 稳定发展 房产先锋

11. *Dividend*

(a) *Current Financial Period Reported on*

No dividend is proposed as the Company is loss making for the year.

(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.*

The Group recorded a net loss for 1Q2021.

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) 1Q2021	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) 1Q2021
Zhong Yu Xin <sup>(1)</sup>	S\$ 172,052 <sup>(2)</sup>	-
Yuan Le Sheng <sup>(3)</sup>	S\$ 30,150 <sup>(4)</sup>	-

Notes:

- (1) Mr. Zhong Yu Xin is the brother of our Executive Director and CEO, Mr. Zhong Yu Zhao.
- (2) Lease of Debao Hotel.
- (3) Mr. Yuan Le Sheng is the father of our Executive Director, Mr. Yuan Jia Jun and the Company's controlling shareholder
- (4) Consultancy fee

BY ORDER OF THE BOARD

Zhong Yu Zhao  
Executive Director and CEO  
14 May 2021



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



以人为本 稳定发展 房产先锋

***Confirmation by the Board***

We, Zhong Yu Zhao and Yuan Jia Jun, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Management and Board of Directors which may render the three months ended 31 March 2021 results to be false or misleading in any material respect and we confirm that the Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

Zhong Yu Zhao  
Executive Director and CEO

Yuan Jia Jun  
Executive Director

14 May 2021