



以人为本 稳定发展 房产先锋

The Company is required to perform quarterly reporting on an ongoing basis from 7 February 2020. This arises from the modified opinion issued by the company's statutory auditor in the Company's latest audited financial statements for the financial year ended 31 December 2019.

UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER (4Q2020) & YEAR ENDED 31 DECEMBER 2020 (FY2020)

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

	Actual CFS (As defined herein)					
	4Q2020	4Q2019 (Restated)	% Change	FY2020	FY2019 (Restated)	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Revenue	89,407	16,791	432%	349,587	98,081	256%
Cost of sales	(45,097)	(8,605)	424%	(179,107)	(71,785)	150%
Gross profit	44,310	8,186	441%	170,480	26,296	548%
Other income, net	16,629	(13,652)	NM*%	16,108	38,583	(58%)
Selling and distribution expenses	(4,636)	(4,188)	11%	(8,872)	(5,773)	54%
Administrative expenses	(5,850)	(4,790)	22%	(45,373)	(45,726)	(1%)
Finance costs	(57,622)	(59,954)	(4%)	(223,500)	(219,714)	2%
Loss before income tax	(7,169)	(74,398)	(90%)	(91,157)	(206,334)	(56%)
Income tax expenses	258	73	253%	(2,874)	(18,302)	(84%)
Net loss for the period	(6,911)	(74,325)	(91%)	(94,031)	(224,636)	(58%)
Other comprehensive (loss) income						
Currency translation difference	34,514	7,809	342%	40,112	(1,743)	NM*
Total Comprehensive loss for the period	27,603	(66,516)	NM*%	(53,919)	(226,379)	(76%)
Loss attributable to:						
Equity holders of the Company	(3,036)	(71,635)	(96%)	(84,734)	(216,039)	(61%)
Minority interest	(3,875)	(2,690)	44%	(9,297)	(8,597)	8%
	(6,911)	(74,325)	(91%)	(94,031)	(224,636)	(58%)
Total comprehensive loss attributable to:						
Equity holders of the Company	31,478	(63,826)	NM*%	(44,622)	(217,782)	(80%)
Minority interest	(3,875)	(2,690)	44%	(9,297)	(8,597)	8%
	27,603	(66,516)	NM*%	(53,919)	(226,379)	(76%)



以人为本 稳定发展 房产先锋

#_ In adopting Singapore Financial Reporting Standards (International) (“SFRS(I)”) with effect from 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018.

NM = Not meaningful

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

	Actual Consolidated Statement of Comprehensive Income					
	4Q2020	4Q2019(Res tated)	% Change	FY2020	FY2019(Re stated)	% Change
	RMB'000	RMB'000	+ / (-)	RMB'000	RMB'000	+ / (-)
Depreciation	932	990	(6%)	3,728	3,960	(6%)
Interest expense	57,622	59,594	(4%)	223,500	219,714	2%
Interest income	(144)	(1,184)	(88%)	(817)	(4,736)	(83%)
Exchange (gain)/loss	(34,514)	(7,809)	342%	(40,112)	1,743	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	
	31.12.2020 RMB'000	31.12.2019(Restated) RMB'000	31.12.2020 RMB'000	31.12.2019(Restated) RMB'000
Assets				
Current assets				
Cash and bank equivalents	23,759	15,897	26	30
Restricted cash and cash equivalents	-	20,000	-	-
Trade and other receivables	448,007	583,372	1,295,211	1,305,266
Contract assets	18,650	18,650	-	-
Prepaid leases	81	223	-	-
Inventories	264	247	-	-
Property held for sale	27,290	36,988	-	-
Development properties	1,012,904	1,149,377	-	-
Disposal group assets classified as held-for-sale	48,735	48,735	-	-
Total current assets	1,579,690	1,873,489	1,295,237	1,305,296
Non-current Assets				
Prepaid leases	3,776	3,695	-	-
Property, plant and equipment	13,828	22,991	-	-
Investment properties	2,193,674	2,197,619	-	-
Investment in an associate	45	45	-	-
Financial asset, FVOCI	-	-	*	*
Deferred tax assets	19,017	19,017	-	-
Total non-current assets	2,230,340	2,243,367	*	*
Total assets	3,810,030	4,116,856	1,295,237	1,305,296
Liabilities and shareholders' equity				
Current liabilities				
Bank and other loans	1,342,577	1,438,362	-	-
Trade and other payables	721,869	941,829	358,664	359,702
Lease liabilities	36,446	32,417	-	-
Contract liabilities	99,921	64,859	-	-
Provisions	96,311	96,311	83,868	88,297
Tax payables	122,645	122,262	33,645	35,265
Liabilities directly associated with disposal assets classified as held-for-sale	46,735	46,735	-	-
Total current liabilities	2,466,504	2,742,775	476,177	483,264
Non-current liabilities				
Bank and other loans	356,986	334,294	-	-
Lease liabilities	155,277	155,334	-	-
Deferred tax liabilities	283,746	283,017	-	-
Total non-current liabilities	796,009	772,645	-	-
Shareholders' equity	547,517	601,436	819,060	822,032
Total liabilities and Shareholders' equity	3,810,030	4,116,856	1,295,237	1,305,296

* Less than RMB 1,000



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 (continued).*

Explanatory Notes:

As announced on SGXNet on 21 April 2020, on the advice of the Company's auditors, the Company will cease to publish the proforma financial statements to illustrate what the current year/period's results will be like if common control was applied to the acquisitions during listing. Please refer to the SGX announcement for further details.

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

	Group CFS	
	31.12.2020	31.12.2019 (Restated)
	RMB'000	RMB'000
Amount repayable in one year or less, or on demand:		
Secured	1,342,577	1,438,362
Sub-total (1)	1,342,577	1,438,362
Amount repayable after one year:		
Secured	356,986	334,294
Sub-total (2)	356,986	334,294
Total debt (1)+(2)	1,699,563	1,772,656



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 (2019: Nil) with effective interest rates at 8.5% (2019: Nil) per annum, are secured by property, plant and equipment and investment properties and repayable in 2021.
2. Loans from a lender amounting to RMB 34,000,000 (2019: Nil) with an effective interest rate at 5% (2019: Nil) per annum, are secured by investment properties and repayable in 2022.
3. Loans from a lender amounting to RMB 125,000 (2019: 625,000) with an effective interest rate at 9.55% (2019:9.55%) per annum, were unsecured and repayable in 2021.
4. Loans from a lender amounting to RMB 335,616,000 (2019: RMB 343,080,000) with effective interest rates from 6.86% to 7.35% (2019: 6.86% to 7.35%) per annum, are 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.
5. Loans from a lender amounting to RMB 15,000,000 (2019: Nil) with effective interest rates at 4.65% (2019: Nil) per annum, are secured by investment properties and repayable in 2021.
6. Loan from a lender amounting to RMB 3,510,000 (2019: Nil) with effective interest rates at 5.8% (2019: Nil) per annum, are secured by investment properties and repayable in 2030.

(b) Other loans

1. Loans from a lender amounting to RMB 979,815,000 (2019: RMB1,046,505,000) with an effective interest rate 13.00% (2019: 11.00% to 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



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 118,000,000. These loans bore average annual interest rates from 12% to 33.6%, 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 (2019: RMB 190,597,000) with interest rate from 15% to 20% (2019: 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 lower interest rates with lenders, wherever possible, to lower the Company's effective cost of debt.



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			
	4Q2020	4Q2019	FY2020	FY2019
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit (Loss) after tax	(6,911)	(137,645)	(94,031)	(224,636)
Adjustments for:				
Income tax expenses	(258)	18,243	2,874	18,302
Fair value gain on investment properties	-	(76,532)	-	(76,532)
Gain on disposal of property, plant and equipment	-	(6)	-	(6)
Gain on disposal of joint venture	-	(8,598)	-	(8,598)
Gain on disposal of financial assets, FVOCI	-	(1,528)	-	(1,528)
Impairment for non-current assets held for sale	-	40,267	-	40,267
Depreciation and amortization	2,361	2,674	3,728	3,960
Interest expense	57,622	121,424	223,500	219,714
Interest income	(144)	(3,475)	(817)	(4,736)
Amortisation of prepaid leases	61	223	61	223
Provision for liabilities on legal cases	-	3,703	-	3,703
Unrealized exchange differences	34,514	(16,264)	40,112	(29,259)
Operating profit (loss) before working capital changes	87,245	(57,514)	175,427	(59,126)
Trade and other receivables	79,214	(18,562)	135,365	(13,854)
Contract assets	24,055	(8,152)	-	(7,677)
Inventories	(4)	260	(17)	(10)
Development properties	55,778	(196,498)	136,473	(166,832)
Properties held for sales	16,231	(2,685)	9,698	(1,674)
Trade and other payables	(234,493)	153,253	(219,960)	196,319
Contract liabilities	35,062	(10,851)	35,062	(10,851)
Provisions	-	(3,703)	-	(3,703)
Net cash generated from operations	63,088	(144,452)	272,048	(67,408)
Interest paid	(57,622)	13,063	(223,500)	(85,227)
Interest received	144	3,475	817	4,736
Income taxes paid	(1,426)	(678)	(1,762)	821
Net cash generated from (used in) operating activities	4,184	(128,592)	47,603	(147,078)
Cash flows from investing activities				
Proceeds from disposal (Purchase) of properties, plant and equipment, net	4,931	684	5,435	(295)
Proceeds from disposal of joint venture	-	8,598	-	8,598
Addition in investment property	(799)	(86)	3,945	-
Proceeds from (Increase in) disposal of non-current assets held-for-sale	-	79,000	-	85,000
Proceeds from disposal of financial assets, FVOCI	-	1,528	-	2,828
Investment in associated companies	-	(5)	-	(5)
Net cash (used in) generated by investing activities	4,132	(89,719)	9,380	96,126
Cash flows from financing activities				
Decrease (increase) in fixed deposits restricted cash	10,000	114,216	20,000	182,076
Lease payables	1,755	(7,506)	3,972	(7,506)
(Repayment) Drawing of bank loans and other loans, net	(14,738)	(67,133)	(73,093)	(129,283)
Proceed from (repayment to) former non-controlling interests	-	4,037	-	4,037
Net cash generated from (used in) financing activities	(2,983)	43,614	(49,121)	49,324
Net (decrease) increase in cash and cash equivalents	5,333	4,741	7,862	(1,628)
Cash and cash equivalents at the beginning of the periods	18,426	11,156	15,897	17,525
Cash and cash equivalents at the end of the periods	23,759	15,897	23,759	15,897



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
Balance as at 1 January 2019 (Restated)	909,831	(160,562)	(8,601)	23,886	86,726	-	851,280	(23,465)	827,815
Loss for the period	-	(216,039)	-	-	-	-	(216,039)	(8,597)	(224,636)
Other comprehensive profit for the period	-	-	(1,743)	-	-	-	(1,743)	-	(1,743)
Balance as at 31 December 2019(Restated)	909,831	(376,601)	(10,344)	23,886	86,726	-	633,498	(32,062)	601,436
Balance as at 1 January 2020	909,831	(376,601)	(10,344)	23,886	86,726	-	633,498	(32,062)	601,436
Loss for the period	-	(84,734)	-	-	-	-	(84,734)	(9,297)	(94,031)
Other comprehensive loss for the period	-	-	40,112	-	-	-	40,112	-	40,112
Balance as at 31 December 2020	909,831	(461,335)	29,768	23,886	86,726	-	588,876	(41,359)	547,517



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
Balance as at 1 January 2019 (Restated)	909,831	(107,641)	25,625	827,815
Total comprehensive (loss) profit for the period	-	(27,860)	22,077	(5,783)
Balance as at 31 December 2019(Restated)	909,831	(135,501)	47,702	822,032
Balance as at 1 January 2020	909,831	(135,501)	47,702	822,032
Total comprehensive (loss) profit for the period	-	35,239	(38,211)	(2,972)
Balance as at 31 December 2020	909,831	(100,262)	9,491	819,060

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 December 2020 and 31 December 2019 respectively.

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

	31.12.2020		31.12.2019	
	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.



以人为本 稳定发展 房产先锋

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.

- 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 1Q2021. 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 next year.

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.



以人为本 稳定发展 房产先锋

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 (continued)

We contacted the police in February 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 for meeting after Chinese New Year holidays. The Company will update shareholders if there are any updates on the loan arrangement.

The Company has also engaged internal auditors in Malaysia to review the Ernst & Young (“EY”) report dated 9 November 2018 and to ensure that the internal control weaknesses identified in the report have been rectified.

- (b) 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 2019.

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.

The Group and Company have adopted the new and revised SFRS(I) applicable for the financial year beginning 1 January 2019. The impact of adopting the following SFRS(I) which is effective for financial year beginning 1 January 2019, is detailed as follows:



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. (continued)*

SFRS(I) 16 – Leases

The Group and Company adopted SFRS(I) 16 and elected modified retrospective method where the lease liability was measured at the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application. The Company adopted to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognized in the balance sheet as at 1 January 2019. In addition, the Group elected the following practical expedients:

- i) not to reassess whether a contract is, or contain a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- ii) to apply the exemption not to recognize right-of-use assets and lease liabilities to lease for which the lease term ends within 12 months as of 1 January 2019
- iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

Summary of impact:

RMB(million)

Investment properties	6.8
Lease liabilities	6.8



以人为本稳定发展房产先锋

6. *Earnings per ordinary share (EPS) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.*

RMB fens	Group CFS			
	4Q2020	4Q2019(Restated)	FY2020	FY2019(Restated)
Profit (Loss) Per Share				
Basic (a)	(4.05)	(95.51)	(112.98)	(288.05)

- (a) Earnings 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).

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	
	31.12.2020	31.12.2019(Restated)	31.12.2020	31.12.2019(Restated)
Net asset value per ordinary share based on issued share capital at end of financial year*	7.30	8.02	10.92	10.96

In adopting SFRS(I) with effect from 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(1). Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(1) effective as at 31 December 2018.

* 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.*

Review based on our unaudited Actual Consolidated Financial Statements

Income statement

Revenue

The Group's revenue increased by RMB 251.5 million, or 256.4%, from RMB 98.1 million in FY2019 to RMB 349.6 million in FY2020. This was mainly due to an increase in property sale of BAY ONE for revenue by RMB 249.1 million.



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):*

Cost of Sales and Gross Profit

Cost of sales increased by RMB 107.3 million, or 150.0% from RMB 71.8 million in FY2019 to RMB 179.1 million in FY2020. This was mainly due to an increase in properties cost which are in line with the increase in properties sales.

In terms of gross profit margin, our overall gross profit margin increased from 26.8% in FY2019 to 48.8% in FY2020, as a result of the sale of properties that have a higher gross profit margin.

Other Income, net

Other income/loss mainly includes interest income, foreign exchange gain/loss and miscellaneous income, surcharge income from property management services and other miscellaneous income, gain/loss on disposal of assets, fair value gain on investment properties.

Other income decreased by RMB 22.5 million from RMB 38.6 million in FY2019 to RMB 16.1 million in FY2020. The decrease is mainly due to the fair value gain on investment properties not yet done for FY2020 which amounted to RMB 76.5 million in FY2019, offset by impairment for disposal group amounting to RMB 40.2 million and an decrease in interest income of RMB 4 million.

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 3.1 million in FY2020 as compared to the previous corresponding period. The increased in selling and distribution expenses in FY2020 were due mainly to the commission fee and advertising and promotion expenses for BAY ONE.

Administrative Expenses

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



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):*

Administrative expenses decreased by RM 0.3 million or 0.8% from RMB 45.7 million in FY2019 to RMB 45.4 million in FY2020. It was mainly attributable to the Group's efforts to control the salary and bonus expenses, travelling expenses and other general office overhead expenses due to business slowdown and the outbreak of COVID-19.

Finance Costs

Finance cost, net of capitalised interest, amounted to RMB 223.5 million in FY2020 (FY2019: RMB 219.7 million). It was mainly due to the Group's outstanding loans with higher interest rate in FY2020.

Depreciation

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

Income Tax Expenses

Income tax includes statutory enterprise income tax and land appreciation tax.

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 4Q2020 is mainly due to the depreciation of RMB against MYR and SGD which led to loss in Malaysia and Singapore assets, together with the depreciation 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 94.0 million in FY2020, compared to a net loss of RMB 224.6 million in FY2019.



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):*

Statement of Financial Position as at 31 Dec 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 1,579.7 million in FY2020 compared to approximately RMB 1,873.5 million in FY2019.

The largest components of our current assets were development properties, property held for sales and trade and other receivables, which stood at RMB 1,488.2 million, as compared to RMB 1,769.7 million in FY2019.

Development properties, which include the cost of land, interest capitalized, and related costs, accounted for approximately RMB 1,012.9 million compared to RMB 1,149.4 million a year ago, the decrease was mainly due to the increased properties sales in BAY ONE, partially offset by the increase in development properties due to the continuing constructions in BAY ONE.

The Group's property held for sales decrease by RMB 9.7 million, from RMB 37.0 million in FY2019 to RMB 27.3 million in FY2020.

In addition, restricted cash stood at RMB 0 million, 100.0% lower than RMB 20.0 million as in FY2019, which is the result of repayment of bank loans and thus released the related restricted cash.

Trade and other receivables stood at approximately RMB 448.0 million, which decreased by 135.4 million compared to RMB 583.4 million in FY2019, which mainly due to the money collections of the sales of BAY ONE.



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):*

Non-current assets

Non-current assets comprise mainly property, plant and equipment and investment properties. The amount stood at RMB 2,230.3 million compared to 2,243.4 million as at end of FY2019.

The net book value of investment properties was approximately RMB 2,193.7 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 has not yet engaged a licensed valuer to perform a valuation appraisal of its properties for FY2020.

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 721.9 million, approximately 23.4% lower than RMB 941.8 million as at 31 December 2019. The decrease in trade and other payables was mainly 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 reserves, 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
- e) 50% shareholding held by the minority interest in a Malaysia subsidiary, Poly Ritz Green (Malaysia) Sdn. Bhd.

Shareholders' equity amounted to RMB 547.5 million, representing a decrease of RMB 53.9 million from RMB 601.4 million at 31 December 2019 and offset by the translation gain incurred in this period.

Cash flow statement

The Group has a net cash inflow in operating activities of RMB 47.6 million in FY2020, which comprises operating cash inflows before movements in working capital of RMB 175.4 million, in addition to net working capital generated from operations of RMB 96.6 million and adjusted by net use in finance cost and interest received as well as income tax of approximately RMB 224.4 million. The net working capital outflows were mainly due to net cash outflow by interest paid, offset by decrease in trade and other payables during the current reporting period.

The net cash inflow in investing activities is RMB 9.4 million.

The Group recorded a net cash outflow in financing activities of RMB 49.1 million during FY2020. This was mainly due to a decrease in bank loans and other loans.

With the above, the Group has recorded a net increase in cash and cash equivalents of RMB 7.9 million for FY2020.



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 2019.

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 3.6 million sqm in 3Q2020 vs. 4.2 million sqm in 4Q2020.

Project Updates

Project 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.
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.

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.



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

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).*

4. Bay One Project

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.



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).*

The accumulated sales/pre-sales (See Note 2 below) status of our projects as at 31 December 2020 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	237,024	29,415	8,058	50%
Total	2,540,708	323,857	7,845	NA

The accumulated sales/pre-sales (See Note 2 below) status of our projects for FY2020 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	7,122	736	9,677	100%
Jiangnan Mingju Phases 5 and 6	8,900	520	17,115	100%
Sihui City Mall	-	-	-	100%
Sihui Bay One	237,024	29,415	8,058	50%
Total	253,046	30,671	8,250	NA

The sales/pre-sales (See Note 2 below) of our projects for 4Q2020 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	60,245	7,895	7,631	50%
Total	60,245	7,895	7,631	NA

Sales for Jiangnan Mingju Phases 5 and 6 in FY2020 have been recognised as revenue in the current reporting periods. The sales for Jin Long Garden – South Zone (Phase 2) (a 55% joint-ventured project) have also been recognised in 9M2020 when handed over.

Notes

- (1) Source from Bureau of Housing and Urban-Rural Development of Foshan (<http://www.fsjw.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 FY2020.

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) FY2020	Aggregate value of all interest person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) FY2020
Zhong Yu Xin ⁽¹⁾	S\$713,214 ⁽²⁾	-
Yuan Le Sheng ⁽³⁾	S\$121,440 ⁽⁴⁾	-

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



以人为本 稳定发展 房产先锋

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 contracts	Property investment	Other	Total
Revenue					
<u>2020</u>	257,941	28,671	40,228	22,747	349,587
<u>2019(Restated)</u>	24,181	31,814	1,096	40,990	98,081
Segment result					
<u>2020</u>	87,354	(11,649)	(23,725)	(146,011)	(94,031)
<u>2019(Restated)</u>	(46,663)	(8,420)	(22,935)	(146,618)	(224,636)

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*

	Gtoup		
	2020	(Restated) 2019	Increase/ (Decrease)
	RMB'000	RMB'000	
(a) Sales reported for first half year	204,249	53,294	283%
(b) Operating profit/(loss) after tax reported for first half year	(49,804)	(102,069)	(51%)
(c) Sales reported for second half year	145,338	44,787	225%
(d) Operating profit after tax reported for second half year	(44,227)	(122,567)	(64%)



以人为本 稳定发展 房产先锋

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

	2020	2019
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	57	Brother of our shareholder, Mr. Yuan Le Sheng	Vice general manager of our subsidiary, Foshan Nanhai Guihe Construction Engineering Co., Ltd, 2014	Nil
Yuan Le Sheng	54	Father of our director, Mr. Yuan Jia Jun	Consultant, 2018	Nil

BY ORDER OF THE BOARD

Zhong Yu Zhao
Executive Director and CEO
1 March 2021



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 for the three months and the year ended 31 December 2020 to be false or misleading in any material respect and we confirm that the company has procured undertaking from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

On behalf of the Board of Directors

Zhong Yu Zhao
Executive Director and CEO

Yuan Jia Jun
Executive Director

1 March 2021