

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in Singapore on 16 August 2007)

(Registration Number: 200715053Z)

DISCLOSURE PURSUANT TO RULES 704(31) AND 728 OF THE LISTING MANUAL OF THE THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the announcement dated 8 April 2014 in relation to the loan transactions between Famous Way Properties Limited and Infinity Real Estate Holdings Pte. Ltd.

Debao Property Development Ltd. (the “**Company**”) refers to Rules 704(31) and 728 of the SGX-ST Listing Manual and wishes to announce the following:

Rule 704(31)

Further to the Company’s announcement dated 8 April 2014, the Board of Directors of the Company wishes to announce that the Group’s Loan Transactions, contain (a) conditions which make reference to the shareholding interest of any of the Company’s controlling shareholders, or (b) restrictions on change in control of the Company, where the breach of such condition or restriction will cause a default in the Loan Transactions, significantly affecting the Company’s operations.

The relevant details of the conditions and restrictions of the Loan Transactions that make reference to the shareholding interests of any shareholder of the Company, are set out in the Appendix to this announcement.

As at 5 August 2014, the total amount outstanding pursuant to the Loan Transactions is approximately US\$50,000,000.

Rule 728

In compliance with Rule 728 of the SGX-ST Listing Manual, the Company has obtained an undertaking from its controlling shareholders, namely Mr Yuan Le Sheng and Billion Equity Holdings Limited, for them to notify the Company, as soon as they become aware, of any share pledging arrangements relating to their shares in the Company and of any event which may result in a breach of any relevant condition and/or restriction in the Loan Transactions referred to in the Appendix to this announcement.

The Company has received notifications from Mr Yuan Le Sheng and Billion Equity Holdings Limited that they had entered into share pledge arrangements in respect of their shares in the Company, as follows:

Share Pledge Arrangement 1:

Name of controlling shareholder	Mr Yuan Le Sheng ⁽¹⁾
Class and number of shares pledged	16,593,000 ordinary shares
Percentage of the Company’s issued share capital that is subject to the share pledge arrangement	Approximately 1.47%
The party in whose favour the pledge is created	Famous Way Properties Limited

Date of notice to the Company	4 August 2014

Share Pledge Arrangement 2:

Name of controlling shareholder	Billion Equity Holdings Limited ⁽¹⁾⁽²⁾
Class and number of shares pledged	568,805,234 ordinary shares
Percentage of the Company's issued share capital that is subject to the share pledge arrangement	Approximately 50.56%
The party in whose favour the pledge is created	Famous Way Properties Limited
Date of notice to the Company	4 August 2014

Note:

- (1) Billion Equity Holdings Limited is a company incorporated in the British Virgin Islands and wholly owned by the Chairman and CEO of the Company, Mr Yuan Le Sheng. Accordingly, Mr Yuan Le Sheng is deemed interested in the shares of the Company held by Billion Equity Holdings Limited.
- (2) 291,976,744 shares are held in the name of UOB Kay Hian Pte Ltd as nominee for Billion Equity Holdings Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate in all material aspects as at the date hereof and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Yuan Le Sheng
Executive Chairman and CEO
5 August 2014

Appendix

No.	Lender	Borrower	Description of the Loan Transactions	Relevant condition or restriction
1.	Famous Way Properties Limited	The Company	<p>(a) Clause 19.19(a) of Facility Agreement</p> <p>(b) Clause 4 of the Composite Singapore Share Mortgage</p> <p>(c) Clause 5.2 of the Composite Singapore Share Mortgage</p>	<p>(a) The funder shall be at all times: the direct or indirect beneficial owner of at least 50 per cent. of the issued share capital of Listco.</p> <p>(b) No mortgagor must not may: create or permit to subsist any Security Interest or any other third party's interest on or in any Security Asset.</p> <p>(c) No Mortgagor may take, or allow the taking of, any action on its behalf (including the exercise of any voting rights) which may result in the rights attaching to any Security Asset being altered or further shares in any Mortgaged Company being issued.</p>