

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200715053Z)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Debao Property Development Ltd. ("**Company**", and together with its subsidiaries, "**Group**") was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") on 5 June 2018.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company ("**Board**") wishes to provide an update on the financial situation of the Company and the Group for the third quarter ended 30 September 2018 ("**3Q2018**").

Update on Financial Position and Outlook

The Group's revenue decreased by RMB 193.97 million from RMB 203.27 million in third quarter ended 30 September 2017 ("**3Q2017**") to RMB 9.30 million in 3Q2018, which was mainly due to lower property sales.

The Group's gross profit increased from a loss of RMB 8.57 million in 3Q2017 to a profit of RMB 5.04 million in 3Q2018 as a result of increased property rental income.

The net loss of the Group increased from RMB 23.13 million in 3Q2017 to RMB 90.3 million in 3Q2018.

For more details on the financial position of the Group, please refer to our announcement of the Group's unaudited financial statements for the third quarter and nine months ended 30 September 2018 released on 7 November 2018.

Update on Future Direction and other Material Development

The Political Bureau of the CPC Central Committee held a meeting on 31 July 2018 and decided to resolutely curb the increase of housing prices. The phrase "resolutely curbing" suggests a high degree of control by the government for a long period. As a result, the Shenzhen government released new control policies for Shenzhen area, which have a "spillover effect" in neighbouring Foshan. Hence the average property selling prices have stabilised. The average transacted property selling price per sqm in Foshan has slightly increased by 4.09% during the current reporting period from RMB 10,242 per sqm in second quarter ended 30 June 2018 ("**2Q2018**") to RMB 10,661 per sqm in 3Q2018. Transaction volumes have increased approximately 3.83% from 3.65 million sqm in 2Q2018 to 3.79 million sqm in 3Q2018.

Update on efforts for satisfying MTP exit criterion

On the issue of satisfying the MTP, the Board continues to monitor its financial position and business growth. The Board of the Company has been exploring various options to meet the MTP exit criteria and will report any progress as and when it arises.

The Company will update its shareholders on any material developments in the meantime.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
7 November 2018