

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. (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list under the Financial Entry Criteria with effect from 4 December 2019, pursuant to Rule 1311(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the “**Board**”) wishes to provide an update on the financial situation of the Company and the Group for the fourth quarter ended 31 December 2022 (“**4Q2022**”).

Update on Financial Position and Outlook

The Group’s revenue decreased by RMB 35.0 million from RMB 57.3 million in the fourth quarter ended 31 December 2021 (“**4Q2021**”) to RMB 22.3 million in 4Q2022, which was mainly due to a decrease in construction revenue arising from work progress of the work sites and decrease in property sales.

The Group’s gross profit decreased by RMB 20.8 million from RMB 28.4 million in 4Q2021 to RMB 7.6 million in 4Q2022 as a result of the product mix.

The Group recorded a net loss of RMB 68.3 million in 4Q2022, compared to a net loss of RMB 22.8 million in 4Q2021.

For more details on the financial position of the Group, please refer to our announcement of the Group’s unaudited financial statements for 4Q2022 released on 24 February 2023.

Update on Future Direction and other Material Development

As a result of the Government’s policy to curb speculation, the property average selling price has stabilised. Transaction volumes stabilized at 2.0 million sqm in 4Q2022 when compared to 2.0 million sqm in 3Q2022.

As at 31 December 2022, the Group has one development project in Malaysia and two (2) development projects in the People’s Republic of China (the “**PRC**”).

Although Malaysia relaxed its Movement Control Order in May 2022, staff is still unable to apply for the necessary Malaysia visa in the PRC for travel purposes. The Company will monitor the situation and will update shareholders when there are updates on the project in Malaysia.

Update on efforts for satisfying Financial Exit Criteria

The Company will continue to focus on the development and growth of its strategic planning of the business. The Company will also continue to source for other business opportunities to expand and enhance the performance and net asset value of the Company.

The Company is aware of the deadlines given by SGX-ST to meet the Financial Exit Criteria. The Company will, in the meantime, provide shareholders with quarterly updates on its efforts and the progress made in meeting the Financial Exit Criteria. If any material development occurs between the quarterly updates, the Company will make immediate announcement of such development.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
27 December 2023