

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 2019 (“**3Q2019**”).

Update on Financial Position and Outlook

The Group’s revenue increased by RMB 18.54 million from RMB 9.30 million in third quarter ended 30 September 2018 (“**3Q2018**”) to RMB 27.84 million in 3Q2019, which was mainly due to an increase in property sale revenue.

The Group’s gross profit increased by RMB 13.70 million from RMB 5.04 million in 3Q2018 to RMB 18.74 million in 3Q2019 as a result of the sale of remaining properties that have a higher gross profit margin.

The net loss of the Group decreased from RMB 90.30 million in 3Q2018 to RMB 36.86 million in 3Q2019.

For more details on the financial position of the Group, please refer to our announcement of the Group’s unaudited financial statements for 3Q2019 released on 13 November 2019.

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 become stable. Transaction volumes have decreased from 3.7 million sqm in the second quarter ended 30 June 2019 to 3.0 million sqm in 3Q2019, which is a decrease of approximately 18.6%.

As at 30 September 2019, the Group has two (2) development projects with gross floor area of approximately 0.42 million sqm. The development projects are expected to be separately completed in various phases up till 2023. The Group continuously sources for quality and commercially viable new land reserves both in China and overseas, including retail mall development, redevelopment of industrial land as well as tourism development projects.

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.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
14 November 2019