

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in Singapore on 16 August 2007)

(Registration Number: 200715053Z)

ESTABLISHMENT OF SUBSIDIARY

Debao Property Development Ltd. (the “**Company**”) is pleased to announce that its wholly-owned subsidiary, Foshan Sanshui Nengrun Property Development Co., Ltd. (佛山市三水區能潤置地房地產開發有限公司) (“**Foshan Sanshui**”), together with two (2) unrelated third parties, Foshan Sanshui Fugang Property Development Co., Ltd. (佛山市三水富港房地產開發有限公司) (“**Fugang**”) and Foshan Haiyun Investment Co., Ltd. (佛山海韻置業投資發展有限公司) (“**Haiyun**”), have incorporated a subsidiary in Foshan City, Guangdong Province, People’s Republic of China on 26 September 2014, with details as follows:

Name of Subsidiary	Registered and Paid Up Capital	Shareholding Interest		Business Activities
Foshan De Gang Jian Investment Co., Ltd. (佛山市德港健投資有限公司) (“ De Gang Jian ”)	RMB2,000,000	Foshan Sanshui	50%	Property development and investment, sale and rental of properties, property consultation services, interior decoration services, and sale of construction and decoration materials.
		Fugang	35%	
		Haiyun	15%	

The purpose of the establishment of De Gang Jian is to develop the two plots of land at Sanshui District, Foshan City in Guangdong Province, People’s Republic of China (“**New Land**”). Please refer to the announcement dated 11 September 2014 for the details of the New Land.

The establishment of De Gang Jian mentioned above was funded through the Company’s internal resources and is not expected to have any material impact on the working capital, earnings per share and the net tangible assets per share of the Company for the current financial year ending 31 December 2014.

To the best of the knowledge of the directors of the Company (the “**Directors**”), none of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the establishment of De Gang Jian.

By order of the Board

Yuan Le Sheng
Executive Chairman and CEO
10 October 2014