

**DEBAO PROPERTY DEVELOPMENT LTD.**  
(Incorporated in Singapore on 16 August 2007)  
(Registration Number: 200715053Z)

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**LEGAL PROCEEDINGS AGAINST A SUBSIDIARY OF THE COMPANY**

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The Board of Directors (the “**Board**”) of Debao Property Development Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, the Company’s wholly owned subsidiary, Pavillion Treasures Land and Development Sdn Bhd (“**Pavillion**”), has received on 29 November 2017, a winding-up petition (“**Petition**”) presented by Gabungan Tiasa Sdn Bhd (“**Gabungan**”), a creditor of Pavillion, to the High Court of Malaya at Kuala Lumpur in relation to a sum of RM14,606,130 alleged to be owing to Gabungan.

The Petition is scheduled for case management before the Senior Assistant Registrar on 12 December 2017 at 9.00am. The Petition will be scheduled for hearing on 25 January 2018 at 9.00am before the High Court of Malaya at Kuala Lumpur.

As announced on 3 March 2016 (“**3 March Announcement**”), Pavillion, Profit Consortium Sdn Bhd (“**Profit Consortium**”) and Gabungan entered into a Subscription Agreement on 29 November 2015 (“**Subscription Agreement**”).

Pursuant to the Subscription Agreement, Profit Consortium shall allot and issue to Pavillion 4,646,666 new callable ordinary shares representing 82% of the enlarged share capital of Profit Consortium (“**Subscription Shares**”) at an aggregate consideration of RM88 million and Pavillion shall subscribe to the Subscription Shares. The parties had entered into the Subscription Agreement for the purpose of carrying out the development of the mixed-use development project located in central Kuala Lumpur, Malaysia (“**Plaza Rakyat Project**”). More details of the Plaza Rakyat Project can be found in the 3 March Announcement.

Pavillion shall pay the consideration of RM 88 million to Profit Consortium in tranches, which will be used by Profit Consortium to redeem and cancel the 180,000 redeemable convertible preference shares held by Gabungan. As Pavillion has not paid Profit Consortium the last tranche of payment for the consideration of the Subscription Shares, which is the alleged sum of RM14,606,130, Profit Consortium was unable to pay Gabungan for the redemption of the redeemable convertible preference shares.

The Company and Pavillion are currently seeking legal advice in respect of the Petition. The Company will make further announcements as appropriate in due course and on any other material developments as and when necessary.

In the meantime, shareholder and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Yuan Le Sheng  
Executive Chairman and CEO  
5 December 2017