

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200715053Z)

INCREASE IN SHARE CAPITAL AND REDUCTION OF PERCENTAGE SHAREHOLDING IN PROFIT CONSORTIUM SDN. BHD.

The Board of Directors (the “**Board**” or “**Directors**”) of Debao Property Development Ltd. (the “**Company**”) wishes to announce that it has been informed that the controlling shareholder of Profit Consortium Sdn. Bhd. (the “**Target**”) has on 2 July 2020, subscribed for 102,000,034 new ordinary shares at RM1 per share, of which 10,000,000 ordinary shares were paid-up in cash and the remaining 92,000,034 ordinary shares were allotted and issued pursuant to a capitalisation of shareholder’s loan as partial settlement for the debt owing by the Target to the controlling shareholder (the “**Share Issue**”).

Prior to the Share Issue, the Company’s wholly-owned subsidiary, Pavillion Treasures Land and Development Sdn Bhd (“**Pavillion Treasures**”) held 19.0% shareholdings in the Target. Following the Share Issue, the issued share capital of the Target increased from RM5,666,666 to RM107,666,700. As a result, the percentage shareholding of Pavillion Treasures in the Target reduced from 19.0% to 1.0% (the “**Dilution**”).

The Share Issue and the Dilution are not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Company for the financial year ending 31 December 2020.

Save for their shareholdings in the Company and as disclosed above, none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Zhong Yuzhao
Executive Chairman and Chief Executive Officer
1 September 2020