

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 first quarter ended 31 March 2023 (“**1Q2023**”).

Update on Financial Position and Outlook

The Group’s revenue decreased by RMB 28.9 million from RMB 52.5 million in the first quarter ended 31 March 2022 (“**1Q2022**”) to RMB 23.6 million in 1Q2023, which was mainly due to a decrease in property sales.

The Group’s gross profit decreased by RMB 12.8 million from RMB 23.2 million in 1Q2022 to RMB 10.4 million in 1Q2023 as a result of the decrease in property sales.

The Group recorded a net loss of RMB 24.1 million in 1Q2023, compared to a net loss of RMB 13.2 million in 1Q2022.

For more details on the financial position of the Group, please refer to our announcement of the Group’s unaudited financial statements for 1Q2023 released on 15 May 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 stabilised at 2.1 million sqm in 1Q2023 when compared to 2.0 million sqm in 4Q2022.

As at 31 March 2023, the Group has one development project in Malaysia and two (2) development projects in the People’s Republic of China (the “**PRC**”).

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
15 May 2023