

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 on 3 March 2016 pursuant to Rule 1311(2) of the Listing Manual ("**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 ("**Board**") wishes to provide an update on the financial situation of the Company and the Group for the second quarter ended 30 June 2016 ("**2Q2016**").

Update on Financial Position and Outlook

The Group's revenue for 2Q2016 was RMB11.9 million, as compared to RMB28.5 million for the second quarter ended 30 June 2015 ("**2Q2015**"). The decrease in revenue was mainly attributed to a decrease in revenue from property development sales, which was in turn due to a lower gross floor area sold and recognised and a higher average selling price per square metre achieved in 2Q2016 compared to the previous corresponding period.

The Group recorded a net loss of RMB19.4 million in 2Q2016, as compared to a net loss of RMB36.3 million in 2Q2015. The decrease in loss was contributed by a significant increase in foreign exchange gain and a decrease in finance cost, partially offset by the decrease in revenue as stated above.

For more details on the financial position of the Group, please refer to our separate announcement on the Group's unaudited financial statements for 2Q2016 released on 11 August 2016.

Update on Future Direction and Other Material Development

Since the inclusion of the Company on the watch-list, the Group had taken steps in an effort to meet the requirements needed to exit from the watch-list. The Company had carried out a share consolidation of every fifteen (15) existing ordinary shares in the capital of the Company into one (1) ordinary share ("**Share Consolidation**"). The Share Consolidation was completed on 9 May 2016.

As at 30 June 2016, the Group has five (5) development projects with a gross floor area ("**GFA**") of approximately 1.91 million sqm under development and approximately 0.5 million sqm of land held for future development, including four (4) projects located at Kuala Lumpur in Malaysia, Project Kuchai Lama (Joint Venture), Project Cheras Mahkota (Joint Venture), Imbi Land and Project Plaza Rakyat. The said four (4) projects are expected to be separately completed in various phases up to 2022, providing the Group with secure and visible business growth opportunities in the foreseeable future. As at 30 June 2016, for Imbi Land, the Group has obtained the certificate of land use right and submitted the final design to the relevant government authority for approval. The Group will continue to source 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.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction.

The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

By Order of the Board

Mr Yuan Lesheng
Executive Chairman and CEO
11 August 2016