

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 third quarter ended 30 September 2023 (“**3Q2023**”).

Update on Financial Position and Outlook

The Group’s revenue decreased by RMB 42.9 million from RMB 132.3 million in the third quarter ended 30 September 2022 (“**3Q2022**”) to RMB 89.4 million in 3Q2023, which was mainly due to a decrease in property sales and construction works.

The Group’s gross profit decreased by RMB 6.1 million from RMB 54.0 million in 3Q2022 to RMB 47.9 million in 3Q2023 as a result of the decrease in property sales and construction works.

The Group recorded a net loss of RMB 58.6 million in 3Q2023, compared to a net loss of RMB 67.3 million in 3Q2022.

For more details on the financial position of the Group, please refer to our announcement of the Group’s unaudited financial statements for 3Q2023 released on 14 November 2023.

Update on Future Direction and other Material Development

As a result of the Government’s policy to curb speculation, the property in Foshan average selling price has somewhat stabilised. Transaction volumes have decreased from 1.7 million sqm in 2Q2023 to 1.1 million sqm in 3Q2023. However, the property market in general is in a difficult phase as evidenced by the problems faced by some large established property development companies.

As at 30 September 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
14 November 2023