

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

UPDATE TO THE FINAL DIVIDEND OF 2.00 SINGAPORE CENTS PER ORDINARY SHARE (ONE-TIER TAX-EXEMPT) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The Board of Directors (the "**Board**") of Debao Property Development Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's update announcement dated 30 December 2021 (the "**Announcement**") in relation to the payment of a tax exempt (one-tier) final dividend of 2.00 Singapore cents per ordinary share for the financial year ended 31 December 2017 by the Company (the "**FY2017 Final Dividend**").

Further to the Announcement, the Company intended to pay the FY2017 Final Dividend of S\$1,499,993.76 from the proceeds of the disposal of 19% of the total issued share capital of Profit Consortium Sdn Bhd (the "**Disposal**") and the properties sales revenue of the Company's Bay One development project (the "**Bay ONE Project**") by 31 May 2022.

The Board now wishes to inform shareholders of the Company that the payment of the FY2017 Final Dividend will be further delayed for the following reasons:

- (a) Unexpected poor sales of the Bay ONE Project in 2021, which affected the revenue of the Group.
- (b) The Group is currently focusing its resources on the handing over of more than a 1,000 units of the Bay ONE Project (the "**Handover**") and funds have been channelled towards to this purpose in order to avoid any delay in Handover resulting in the Group having to pay liquidated damages.
- (c) In order to roll over the bank loans of RMB 15 million and RMB 20.8 million (the "**Loans**") which had expired on March 2022 and will expire on May 2022 respectively, the Group had to maintain a certain amount of cash balance.
- (d) the Disposal has also not been completed as parties have been unable to agree on when the building plan can be submitted to Dewan Bandaraya Kuala Lumpur (the City Council of Kuala Lumpur) ("**DBKL**"). The Company is working with DBKL on a more concrete timeline for the building plan submission.

Accordingly, the Company will review its financial position after completion of the Handover which is expected in the third quarter of 2022 and the roll over of the loans. The Company will update shareholders in due course.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
13 May 2022