

**DEBAO PROPERTY DEVELOPMENT LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration no. 200715053Z)

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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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Debao Property Development Ltd. (“**Company**”, and together with its subsidiaries, “**Group**”) was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 June 2018.

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 2018 (“**2Q2018**”).

**Update on Financial Position and Outlook**

The Group’s revenue for 2Q2018 was RMB55.1 million as compared to RMB12.5 million for the second quarter ended 30 June 2017 (“**2Q2017**”). The increase in revenue for 2Q2018 as compared to 2Q2017 is mainly due to the construction development work provided to external parties.

While the gross profit increased from RMB2.3 million in 2Q2017 to RMB6.6million in 2Q2018, the net loss of the Group increased from RMB28.5 million in 2Q2017 to RMB61.1 million in 2Q2018.

For more details on the financial position of the Group, please refer to our separate announcement on the Group’s unaudited financial statements for 2Q2018 released on 8 August 2018.

**Update on Future Direction and Other Material Development**

The Political Bureau of the CPC Central Committee held a meeting on 31 July 2018 and decided to resolutely curb the increase of housing prices. The phrase “resolutely curbing” suggests a high degree of control by the government for a long period. As a result, the Shen Zhen government released new control policies for Shen Zhen area, which have a “spillover effect” in neighbouring Foshan. Hence the average property selling prices have stabilised. The average transacted property selling prices per sqm in Foshan has slightly decreased by 0.3% during the current reporting period, from RMB10,271 per sqm in 1Q2018 to RMB10,242 per sqm in 2Q2018, although transaction volumes have increased from 2.47 million sqm in 1Q2018 to 3.65 million sqm in 2Q2018, an increase of approximately 47.6%.

## **Update on efforts for satisfying MTP Exit criterion**

On the issue of satisfying the MTP, the Board continues to monitor its financial position and business growth. At the appropriate time, the Board will make a decision with respect to complying with MTP in a manner that will best serve the interests of the Company's shareholders.

The Company will update its shareholders on any material developments in the meantime.

By Order of the Board

Zhong Yuzhao  
Executive Director and Chief Executive Officer  
8 August 2018