

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 the following quarterly update on the financial situation of the Company and the Group.

Update on Financial Position and Outlook

The Group’s revenue decreased by RMB 68.5 million, or 19.6%, from RMB 349.6 million in FY2020 to RMB 281.1 million in FY2021. This was mainly due to a decrease in property sale revenue by 83.3 million and a decrease in property investment revenue by RMB 8.7 million, offset by an increase in construction revenue by 21.5 million in FY2021.

The decrease in property sales are mainly due to the completion progress of Bay ONE together with the effect of COVID-19 pandemic on property sales and the increase in construction revenue are mainly due to work progress of the work sites.

The Group’s gross profit decreased by RMB 32.1 million from RMB 89.4 million in 4Q2020 to RMB 57.3 million in 4Q2021 as a result of the slower properties sales in Bay ONE and decrease in construction work revenue which mainly due to the timing of construction work verification by our customers.

The Group’s net loss decreased by RMB 6.2 million from net loss of RMB 6.9 million in 4Q2020 to net loss of RMB 0.7 million in 4Q2021.

For more details on the financial position of the Group, please refer to our announcement of the Group’s unaudited financial statements for FY2021 released on 25 February 2022.

Update on Future Direction and other Material Development

As a result of the Government’s policy to curb speculation, the average selling prices of properties in Foshan has stabilised. Transaction volumes increased from 2.3 million sqm in 3Q2021 to 2.6 million sqm in 4Q2021.

As at 31 December 2021, the Group has one development project in Malaysia and two (2) development projects in the People’s Republic of China (“**PRC**”).

The Group is concentrating its efforts in the completion of Bay ONE project in the PRC and expects to continue the development of the Imbi project in Malaysia from FY2022.

All redevelopment work for Tianjin Boulevard has been completed and the project is expected to generate rental income till 2032.

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
25 February 2022