

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. ("**Company**", and together with its subsidiaries, "**Group**") was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") 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 fourth quarter ended 31 December 2018 ("**4Q2018**").

Update on Financial Position and Outlook

The Group's revenue decreased by RMB 23.30 million from RMB 58.20 million in fourth quarter ended 31 December 2017 ("**4Q2017**") to RMB 34.90 million in 4Q2018, which was mainly due to lower property sales.

The Group's gross profit decreased by RMB 10.52 million from RMB 17.66 million in 4Q2017 to RMB 7.14 million in 4Q2018 as a result of increased property rental income.

The net loss of the Group increased from RMB 35.29 million in 4Q2017 to RMB 49.44 million in 4Q2018.

For more details on the financial position of the Group, please refer to our announcement of the Group's unaudited financial statements for the fourth quarter and financial year ended 31 December 2018 released on 1 March 2019.

Update on Future Direction and other Material Development

The Company has observed that transacted property average selling prices per sqm in Foshan has slightly increased by 4.09% during the current reporting period, from RMB10,661 per sqm in 3Q2018 to RMB11,470 per sqm in 4Q2018, meanwhile, transaction volumes have increased from 3.79 million sqm in 3Q2018 to 4.82 million sqm in 4Q2018, an increase of approximately 7.59%.

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. The Board of the Company has been exploring various options to meet the MTP exit criteria and will report any progress as and when it arises.

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
1 March 2019