

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

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**CLARIFICATION ANNOUNCEMENT ON ANNUAL REPORT ON FY2014**

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The Board of Directors (the “**Board**”) of Debao Property Development Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 April 2015 regarding the Company’s annual report for the financial year ended 31 December 2014 (“**FY2014**”) (the “**Annual Report**”) and wishes to respond as follows:

**Query 1:**

The SGX-ST noted that the Board did not provide opinion with the concurrence of the audit committee on the adequacy of the internal controls, addressing financial, operational and compliance risks. The SGX-ST wishes for the Board to make disclosures as required by Rule 1207(10) of the Listing Manual.

**Response:**

The Board, with the concurrence of the Audit Committee (“**AC**”), is of the opinion that the Group’s internal controls are adequate in addressing financial, operational and compliance risks in the Group’s current business environment based on the following:

- (i) The management of the Group regularly reviews the Group’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks; and
- (ii) The management of the Group reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

**Query 2:**

The SGX-ST noted that the Board had not commented on the adequacy and effectiveness of the internal controls, including financial, operational, compliance, information technology controls and risk management systems. The SGX-ST wishes for the Board to make disclosures as recommended in Guideline 11.3 of the Code of Corporate Governance 2012.

**Response:**

The Board confirms that based on the internal controls established by the Group, work performed by the internal and external auditors, and reviews performed by management, the Board is of the opinion that the Group’s internal controls, including financial, operational, compliance, information technology controls and risk management system are adequate and effective.

By order of the Board

Yuan Le Sheng  
Executive Chairman and CEO

24 April 2015