

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 19 May 2021 and the responses dated 3 November 2021 and 8 November 2021 (the "**8 November 2021 Response**") to queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 3 November 2021 and 5 November 2021 respectively (the "**Announcements**") 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 Announcements, 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 December 2021.

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) as disclosed in the 8 November 2021 Response, the Company's subcontractors had demanded that the payment deadlines be brought forward, otherwise, these subcontractors will not proceed with the construction works of the Bay One Project. The Company had further acceded to such demands amounting to approximately RMB 58.4 million which was 6 months earlier than the payment date dated in the payment schedule;
- (b) due to recent policy changes in the People's Republic of China (the "**PRC**") to tighten the release of mortgage loans due to the aftershock of the potential break up of several major property development companies in the PRC, there were unexpected delays in the release of mortgage loans to the purchasers of properties of the Bay ONE Project which resulted in the delay of remittance of the sale proceeds to the Company;
- (c) sales target was not achieved for the Bay ONE Project due to the downturn of the PRC property market; and
- (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 intends to make payment of the FY2017 Final Dividend by 31 March 2021 and is arranging for a new loan amounting to RMB 10 million. The Company is also expecting to receive a tax refund from local authorities amounting to RMB 5 million by 31 March 2021.

The indicative timeline for the payment of the FY2017 Final Dividend is as follows:

Indicative Date	Event
27 February 2022	Notice of Record Date Announcement
10 March 2022	Record Date
31 March 2022	Payment of FY2017 Final Dividend

The Company will make timely updates on the payment of the FY2017 Final Dividend accordingly and where necessary.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
30 December 2021