

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200715053Z)

NOTICE OF ARBITRATION

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 announcements dated 8 November 2016, 5 December 2016 and 9 January 2017 and the circular to shareholders of the Company dated 11 January 2017.

The Board wishes to announce that the Company has on 18 January 2021 filed an arbitration application with the Guangzhou Arbitration Commission to commence arbitration proceedings (“**Arbitration**”) with Foshan Nanhai Fangao Renovation Services Co., Ltd. (佛山市南海区帆高装饰工程有限公司) (collectively, the “**Applicants**”), against Shengyu (BVI) Limited (盛誉(BVI) 有限公司), and Evergrande Real Estate Group Guangdong Real Estate Development Co.,Ltd (恒大地产集团广东房地产开发有限公司) (collectively, the “**Respondents**”) in respect of the disputes between the Applicants and the Respondents arising out of and/or in connection with the sale and purchase agreement dated 8 November 2016 (supplemented by a supplemental agreement dated 2 July 2018) (“**SPA**”) for the sale and purchase of:

- (i) Infinity Real Estate Holdings Pte. Ltd., together with its wholly-owned subsidiary, Foshan Sanshui Nengrun Property Development Co., Ltd. (佛山市三水区能润置地房地产开发有限公司); and
 - (ii) Foshan Sanshui Fangao Land Co., Ltd. (佛山市三水区帆高置业投资有限公司),
- (collectively, the “**Disposed Subsidiaries**”).

Pursuant to the SPA, the aggregate consideration for the sale and purchase of the Disposed Subsidiaries was RMB 2.023 billion, which was to be paid in instalments. As of the date of this announcement, RMB 1,895,404,915.55 has been paid, and RMB 135,510,352.45 is still outstanding.

The Applicants are seeking from the Respondents payment of the outstanding consideration due under the SPA of RMB 135,510,352.45 and the penalty fee of RMB 121,558,575.7 (incurred as of 31 December 2020).

The Board does not expect the Arbitration to have a material impact on the Company’s operations and the financial performance of the Group.

The Company will keep the shareholders informed of the progress of the matter and will make further announcements, when appropriate.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
18 January 2021