

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

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**JOINT VENTURE BETWEEN DEBAO PROPERTY DEVELOPMENT (HK) LIMITED AND POLY RITZ DEVELOPMENT SDN. BHD. (“JOINT VENTURE”) AND ACQUISITION OF COMPANY FOR THE PURPOSES OF THE JOINT VENTURE**

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**1. INTRODUCTION**

The Board of Directors (“**Board**”) of Debao Property Development Ltd. (the “**Company**”) and together with its subsidiaries the “**Group**”) is pleased to announce that, Debao Property Development (HK) Limited (“**Debao HK**”), a wholly-owned subsidiary through Dynamic Real Estate Holdings Pte. Ltd. (“**Dynamic**”), had entered into a joint venture agreement with Poly Ritz Development Sdn Bhd (“**Poly Ritz Development**”) dated 23 November 2015 (“**Joint Venture Agreement**”) for the purposes of the investment and development of two (2) projects in Malaysia (“**Joint Venture**”). In furtherance of the Joint Venture, a joint venture company had been incorporated (“**JVCo**”).

**2. JOINT VENTURE**

- 2.1 Pursuant to the Joint Venture Agreement, Debao HK and Poly Ritz Development shall through the JVCo, develop a mixture of commercial and residential development on a piece of land with a land area of 3.48 acres in Kuala Lumpur, Malaysia and a residential development on a piece of land with a land area of 10.47 acres in the state of Selangor, Malaysia (“**Joint Venture Projects**”).
- 2.2 In accordance with the Joint Venture Agreement, the Group will be investing approximately RM20 million, representing 50% of the investments in the Joint Venture Projects (“**Investment**”). The Investment shall be funded by bank borrowings and it is not expected to have any material impact on the working capital, earnings per share and the net tangible assets per share of the Group for the current financial year ending 31 December 2015.

**3. ACQUISITION OF 50% SHAREHOLDINGS IN THE JVCO**

- 3.1 Pursuant to the Joint Venture, Million Goldyear Sdn. Bhd. (“**Goldyear**”), a wholly-owned subsidiary of Dynamic, had on 30 October 2015 acquired from Poly Ritz Development, 50% of the issued and paid-up share capital of the JVCo for a consideration of RM1.00 (“**Consideration**”) (the “**Acquisition**”) with details as follows:

<b>Name of JVCo</b>	<b>Issued and Paid Up Capital</b>	<b>Date of incorporation</b>	<b>Business Activities</b>
Poly Ritz Green (Malaysia) Sdn. Bhd.	RM2.00	20 November 2014	Property Investment and Development

- 3.2 After the Acquisition, the Company intends for the JVCo to engage in the business of property investment and development in relation to the Joint Venture Projects.
- 3.3 The Acquisition is arrived at on a willing-buyer willing-seller basis, after taking into account that the JVCo does not have any operations at present and it’s issued and paid-up capital is RM2.00. The Consideration was fully paid in cash and was funded through Goldyear’s internal resources and is not expected to have any material impact on the working capital,

earnings per share and the net tangible assets per share of the Group for the current financial year ending 31 December 2015.

**4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The Executive Chairman and Chief Executive Officer of the Company, Mr Yuan Le Sheng had been appointed as a director of JVCo on 30 October 2015. Save as disclosed herein, none of the directors or substantial shareholders of the Company has any interest, direct or indirect in the Acquisition and the Joint Venture Projects.

**5. JOINT VENTURE AGREEMENT**

A copy of the Joint Venture Agreement is available for inspection during normal business hours at the Company's registered office for a period of three months from the date hereof.

By order of the Board

Yuan Le Sheng  
Executive Chairman and CEO  
24 November 2015