

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in Singapore on 16 August 2007)
(Registration Number: 200715053Z)

PROPOSED LOAN OF USD 50,000,000.00 BY FAMOUS WAY PROPERTIES LIMITED (THE "LENDER") TO INFINITY REAL ESTATE HOLDINGS PTE. LTD. (THE "BORROWER") ("LOAN TRANSACTIONS")

1. Definitive Agreements

The Board of Directors (the "**Board**") of Debao Property Development Ltd (the "**Company**", together with its subsidiaries (collectively, the "**Group**") is pleased to announce that the Group and its shareholders (namely Billion Equity Holdings Limited ("**Billion**"), Pride Capital Investment Holdings Limited ("**Pride**"), Yuan Le Sheng and Yuan Jia Jun) have entered into the following definitive agreements in respect of the Loan Transactions:

- (a) a loan agreement dated 4 April 2014 entered into by, among others, the Borrower and the Lender ("**Loan Agreement**");
- (b) subordination, non-petition and set-off letter dated 4 April 2014 entered into by, among others, the Borrower and the Lender ("**Subordination, Non-Petition and Set-off Letter**");
- (c) a composite BVI security agreement dated 4 April 2014 entered into between Billion, Pride and the Lender ("**Composite BVI Security Agreement**");
- (d) a composite BVI share mortgage dated 4 April 2014 entered into by, among others, Yuan Le Sheng, Yuan Jia Jun and the Lender ("**Composite BVI Share Mortgage**");

The following definitive agreements as part of the Loan Transactions will be signed within three (3) months from the date of the Loan Agreement:

- (a) a composite assignment of intercompany loans entered into by, among others, the Company, the Borrower and the Lender ("**Composite Assignment of Intercompany Loans**");
- (b) a composite Singapore share mortgage entered into by, among others, the Company and the Lender ("**Composite Singapore Share Mortgage**");
- (c) a composite Singapore security agreement entered into by, among others, the Borrower, the Company and the Lender ("**Composite Singapore Security Agreement**");
- (d) a subordination agreement entered into by, among others, the Company, the Borrower and the Lender ("**Subordination Agreement**");
- (e) an account pledge entered into between the Borrower and the Lender ("**Macau Company Account Pledge**");

- (f) an equity pledge agreement entered into by, among others, the Borrower and the Lender ("**Equity Pledge Agreement (Project Co)**"); and
- (g) an equity pledge agreement entered into by, among others, Foshan Nanhai Debao Property Development Co, Ltd and the Lender ("**Equity Pledge Agreement (Foshan Nanhai)**").

2. Information on the Lender

The Lender, Famous Way Properties Limited, is an entity incorporated in the British Virgin Island. It is a subsidiary of a private equity fund principally engaged in investment in real estate sector.

3. Information on the Borrower

The Borrower is a company incorporated under the laws of Singapore with its registered address at 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624. It is a wholly-owned subsidiary of the Company. The Borrower owns 100% of Foshan Sanshui Nengrun Property Development Co. Ltd, a company established under the laws of PRC ("**ProjectCo**"). ProjectCo owns and is developing a residential project (Shanshui Longpan) in Sanshui District of Foshan City ("**Project**").

4. Material Terms of the Loan Agreement

The material terms of the Loan Agreement are, inter alia, as follows:

- (a) Interest: fixed rate of 15% per annum.
- (b) Repayment Date: the repayment date of the loan shall be three years following the date the loan is to be utilized ("**Original Maturity Date**"), or if such date is extended, five years following the date the loan is utilized ("**Final Maturity Date**").
- (c) Disbursement date of the loan: the loan shall be disbursed any time from the receipt of the request for the loan by the Lender and up until the date on which the loan is utilized as agreed between the parties.
- (d) Purpose of the loan: the loan shall be utilized to inject into ProjectCo as part of the registered capital for the ProjectCo.
- (e) Revenue Fee: the Borrower must pay to the Lender an additional fee in an aggregate amount equal to 1.8% or 1.4% of all gross sales revenue received or receivable by Project Co for the period from utilization of the loan up until and including the Original Maturity Date or Final Maturity Date respectively, or in each case at such later date when all outstanding principal and interest have been fully paid up and all payments confirmed and received by the Lender.

5. Interested Person Transaction

Yuan Le Sheng, who is the sole shareholder of Billion, is the Executive Chairman of the Company, and Yuan Jia Jun, who is the sole shareholder of Pride, is the son of the Executive Chairman (collectively, the “**Subject Shareholders**”). As credit support for the Loan, the Subject Shareholders will voluntarily provide security to the Loan with no consideration of any kind.

As required under the Loan Transactions, Yuan Le Sheng, Yuan Jia Jun, Billion and Pride shall execute the following agreements as security to the loan:

- (a) Pursuant to the Composite BVI Security Agreement, Billion and Pride shall charge all their assets in favour of the Lender;
- (b) Pursuant to the Composite BVI Share Mortgage, Yuan Le Sheng and Yuan Jia Jun shall charge all their shares in Billion and Pride respectively in favour of the Lender;
- (c) Pursuant to the Composite Assignment of Intercompany Loans, Yuan Le Sheng, Yuan Jia Jun, Billion and Pride shall assign all their rights in respect of its intercompany loans in favour of the Lender;
- (d) Pursuant to the Composite Singapore Share Mortgage, Yuan Le Sheng, Billion and Pride shall charge all their shares in the Company in favour of the Lender; and
- (e) Pursuant to the Loan Agreement, Yuan Le Sheng, Yuan Jia Jun, Billion and Pride shall jointly and severally guarantee to the Lender, among others, the punctual performance by the Borrower of all its obligations.

6. Rationale of the Loan Transactions

The loan shall be utilized to inject into the ProjectCo as part of the registered capital for the Project. The Board, having considered the terms of the Definitive Agreements, is of the view that the Loan Transactions is beneficial to the Group for the following reasons:

- (a) It is a viable and necessary step to fulfill the capital commitment towards the ProjectCo;
- (b) It will strengthen the cash flow position of the Group in the next 3 to 5 years.

7. Interests of Directors and Controlling Shareholders

To the best of the Directors' knowledge, none of the Directors and controlling shareholders has any interest, direct or indirect, in any of the Loan Transactions, save as disclosed any Interested Person Transaction in Paragraph 5 of the Announcement.

8. Documents available for inspection

Copies of the executable Definitive Agreements are available for inspection by shareholders during normal business hours at the office of the Company 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624 for a period of three (3) months from the date of this Announcement.

Yuan Le Sheng
Executive Chairman and CEO

8 April 2014