

DEBAO PROPERTY DEVELOPMENT LTD.

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Debao Property Development Ltd. ("**Company**", and together with its subsidiaries, "**Group**") was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") on 5 June 2018.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company ("**Board**") wishes to provide an update on the financial situation of the Company and the Group for the first quarter ended 31 March 2019 ("**1Q2019**").

Update on Financial Position and Outlook

The Group's revenue decreased by RMB 4.29 million from RMB 20.74 million in first quarter ended 31 March 2018 ("**1Q2018**") to RMB 16.45 million in 1Q2019, which was mainly due to lower property sales.

The Group's gross profit decreased by RMB 7.96 million from RMB 11.22 million in 1Q2018 to RMB 3.26 million in 1Q2019 as a result of decreased property rental income.

The net profit of the Group decreased from RMB 40.23 million in 1Q2018 to RMB 15.05 million in 1Q2019.

For more details on the financial position of the Group, please refer to our announcement of the Group's unaudited financial statements for 1Q2019 released on 13 May 2019.

Update on Future Direction and other Material Development

As a result of the Government's policy to curb speculation, the property average selling price has become stable. Transaction volumes have decreased from 4.8 million sqm in the fourth quarter of the financial year ended 31 December 2018 to 2.6 million sqm in 1Q2019, a decrease of approximately 45.8%.

As at 31 March 2019, the Group has five development projects with gross floor area of approximately 1.24 million sqm under development. The development projects are expected to be separately completed in various phases up till 2023. The Group continuously sources for quality and commercially viable new land reserves both in China and overseas, including retail mall development, redevelopment of industrial land as well as tourism development projects.

Update on efforts for satisfying MTP exit criterion

On the issue of satisfying the MTP, the Board continues to monitor its financial position and business growth. The Board of the Company has been exploring various options to meet the MTP exit criteria and will report any progress as and when it arises.

The Company will update its shareholders on any material developments in the meantime.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
13 May 2019